



CORNERSTONE GOLF PARTNERS

"America's Golf Partner"



Request for Proposal for the Operation & Maintenance of City Golf Courses

City of Terre Haute

Proposal

Cornerstone Golf Partners, Inc.

Alan C. Cale

Vice President

P.O. Box 6989

Hilton Head, SC 29938

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acale@cornerstonegp.com

May 31, 2017

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Transmittal Letter

Nick Weber
FaegreBD Consulting
300 North Meridian Street
Indianapolis, Indiana 46204

Dear Mr. Weber:

Cornerstone Golf Partners, Inc. is pleased to submit this response to your Request for Proposals regarding the **Operation & Maintenance of City Golf Courses for the City of Terre Haute.**

On behalf of Cornerstone Golf Partners, I have reviewed and completely understand and agree to be bound by the requirements of the RFP.

Cornerstone Golf Partners, Inc. is based in Hilton Head, SC, and is actively involved in municipal owned, semi private, daily fee public golf and tennis operations. The development and management of municipal owned, state owned and daily fee golf and tennis facilities has been our primary focus in the Golf Management Industry.

With the successful involvement from ownership to management of over 30 resort and daily fee golf operations and 5 tennis operations, the credentials and experience outlined later in this proposal confirm the advantage of selecting Cornerstone Golf Partners, Inc. as your management company. Put simply: *We know the golf business.* Our enthusiasm is strong and it is our desire to work hard, think creatively, and project the very best professional image that is reflected in every project we are associated with.

Communication with our firm is through:


Alan C. Cale
Vice President/Co Principle
Chief Executive Officer
Chief Operating Officer
Cornerstone Golf Partners, Inc.
P.O. Box 6989
Hilton Head, SC 29938
(912) 308-4019
(843) 363-5799 Fax
Email: acale@cornerstonegp.com

As a principal owner of Cornerstone Golf Partners, I am authorized to represent Cornerstone

Golf Partners in all matters associated with this RFP.

Thank you for the opportunity to submit this proposal. We look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alan C. Cale".

Alan C. Cale

Vice President/Co Principle

Chief Executive Officer

Chief Operating Officer

Cornerstone Golf Partners, Inc.

Direct Line: 912-308-4019

Email: acale@cornerstonegp.com

Business Organization

Business Organization

A. Legal Structure

The legal entity, which will enter into agreement with the City of Terre Haute, IN, is Cornerstone Golf Partners Inc. a Georgia Corporation established in March 1995. We can be reached at:

Cornerstone Golf Partners, Inc.
P.O. Box 6989
79 Lighthouse Road
Hilton Head, SC 29938
(912) 308-4019
(843) 363-5799 Fax
Email: acale@cornerstonegp.com

B. Proposal Duration

1. This proposal will remain valid for a period of not less than one hundred eighty (180) days from proposal submission deadline.



Alan C. Cale

May 31, 2017

Executive Summary

A. Understanding of Project

As a result of our involvement with over 30 golf course projects, Cornerstone Golf Partners feels it has a unique understanding of the City of Terre Haute's mission for Rea Park Golf Course and Hulman Links Golf Course. This understanding has evolved as a result of taking projects from the pre-construction stages to a final stage, to full daily operations and establishing reputable golf facilities in communities that we have been involved with. Based on this experience, we feel we have an understanding of the goals of the City of Terre Haute for the operations of Rea Park Golf Course and Hulman Links Golf Course.

- To provide patrons with a high-quality golf club experience, that includes a full-service golf operations, full service food and beverage operations, and to present and maintain the finest golf course conditions in the greater Terre Haute area. To provide patrons with a high-quality golf club experience at an affordable price, to offer excellent instructional programs for existing, beginning, junior and disadvantaged patrons, and to promote goodwill within the City of Terre Haute. Also, to provide the maximum profit from the operations and maintenance of the golf course in order to sustain the quality of the facility and to reduce the dependency on tax revenue to meet annual golf course expenditures,

We feel these goals can be accomplished through a business plan that has constant focus on the following: professional staffing, presentation of the overall golf course, marketing program, food and beverage service, expense management and various operational programs and services.

Professional Staffing

Our goal is to provide patrons with the feeling that they are involved in a championship golf experience every time they visit the facility. A superior golf experience in which they are greeted warmly by every member of the staff is one that all members and guests will remember. A friendly, courteous response to any problem or question is a requirement for our staff. This being said, customer service and satisfaction are the top priorities for all patrons, whether it is a 'regular patron' or the first-time visitor. This type of service, combined with professional knowledge of the game of golf, is paramount to the success of Rea Park Golf Course and Hulman Links Golf Course.

All staff members, from management to associates, are trained to promote and project the highest standard of excellence for all patrons. Every staff member is required to dress in staff uniform with his/her nametag present to all patrons. The management is required to create and project a team atmosphere so that all departments work together to give the patron the ultimate playing experience. Community involvement is also strongly encouraged throughout the entire staff.

Rea Park Golf Course and Hulman Links Golf Course will have a General Manager/Director of Golf (PGA Class "A" Member), Director of Golf Course Maintenance (GCSAA Class "A" Member), Director of Food & Beverage, and Director of Golf Instruction (PGA Member). Each director and manager will have the appropriate number of associates to operate the facilities at a high professional level. All staff members of Rea Park Golf Course and Hulman Links Golf Course will be employees of Cornerstone Golf Partners.

If awarded the contract, the current staff members of Rea Park Golf Course and Hulman Links Golf Course will be given the opportunity to join the Cornerstone Golf Partners TEAM.

The City of Terre Haute can be assured that Cornerstone Golf Partners understands the value of being a respected employer and a respected Business Leader in the community. Cornerstone Golf Partners provides a fair and competitive compensation package for the employees of Cornerstone Golf Partners. The compensation package provides a salary or wages that are above today's standards in the golf industry. Cornerstone Golf Partners provides a benefit package that includes a vacation package; sick leave, comp time, and a health and dental benefit package for employees and their families. Cornerstone Golf Partners values our employees, and we make every effort to provide a workplace atmosphere to where our employees are happy to say that they are employees of Cornerstone Golf Partners. Cornerstone Golf Partners is an Equal Opportunity Employer.

Prior to becoming a Team Member of Cornerstone Golf Partners, all prospective employees are required to the following pre-employment policy. A criminal background check, drug testing and an E-Verify employment eligibility verification check.

Rea Park Golf Course and Hulman Links Golf Course Maintenance

Cornerstone Golf Partners's philosophy is to maintain and present the golf course each day as if the facility was hosting a major golf competition or event. The daily presentation of the golf course is the number one goal. Golf tees are rotated daily, greens are cut daily, bunkers are raked daily, fairways are maintained so summer rules can be played year-round, rough heights are maintained to playable conditions. This daily attention to detail insures the overall playability that the patron expects.

In addition to other infrastructure services, patrons can also expect the following golf course presentations on a daily basis; pin location cards, cart and hole directional signs, hazards clearly marked, and yardage markers in each fairway.

Let Cornerstone Golf Partners assure you that under our leadership and management, the golf course presentation and turf conditions will be maintained at a level that the patrons of Rea Park Golf

Course and Hulman Links Golf Course will expect and demand.

Cornerstone Golf Partners has a full understanding of daily operations of maintaining and presenting Rea Park Golf Course and Hulman Links Golf Course. **Please refer to Rea Park Golf Course and Hulman Links Golf Course Agronomic Specifications, Letter I**

Marketing Program

Our experience has shown that the golf industry is a very rate sensitive market. That, coupled with the City of Terre Haute's desire to provide an affordable golf opportunity for members and patrons to experience these great facilities, leads us to propose an aggressive marketing program to establish and grow the customer base. The following highlights the marketing plan for Rea Park Golf Course and Hulman Links Golf Course:

1. Monthly newsletters will be created and distributed via mail and email to promote monthly activities the club has to offer.
2. Establish a strong relationship with the City of Terre Haute, local Chamber of Commerce, Visitor Bureau and Tourism Groups to refer Rea Park Golf Course and Hulman Links Golf Course as a golf destination.
3. Brochures/Rack Cards will be created for Rea Park Golf Course and Hulman Links Golf Course and will be distributed to Visitors Centers, Motel/Hotels, local businesses and industries.
4. Print ads will be placed through various media outlets to promote Rea Park Golf Course and Hulman Links Golf Course.
5. Rea Park Golf Course and Hulman Links Golf Course will be represented in statewide golf passbook programs.
6. Local industries and charitable groups will be solicited to hold golf tournaments, leagues and other functions to drive business to Rea Park Golf Course and Hulman Links Golf Course.
7. Discount coupons will be used to promote play during low peak times.
8. A mailing list and email list will be created and will be continuously updated so that we may contact the members and patrons via mail and email with incentives to visit Rea Park Golf Course and Hulman Links Golf Course.
9. Cornerstone Golf Partners will develop a close relationship with the Indiana Golf Association's in hosting state events. This relationship will allow Rea Park Golf Course and Hulman Links Golf Course to host the Indiana Golf Association's events.
10. Develop and utilize a close relationship with the Indiana PGA in hosting state and chapter events.
11. Continue a close relationship with the USGA in hosting national events.
12. Yellow Pages Ads continue to be an effective marketing tool.
13. Cable TV and Radio Ads will be used to promote Rea Park Golf Course and Hulman Links Golf Course.
14. Rea Park Golf Course and Hulman Links Golf Course web site will be created and maintained in order to promote Rea Park Golf Course and Hulman Links Golf

- Course.
15. Cornerstone Golf Partners will create, maintain and post information to promote Rea Park Golf Course and Hulman Links Golf Course through social media outlets like Facebook, Twitter, Instagram and Snapshot. All of the social media outlets will be linked together to promote Rea Park Golf Course and Hulman Links Golf Course.
 16. Cornerstone Golf Partners has found over 20 major golf retailers in the greater Terre Haute and surrounding area. We have found these retailers to be a tremendous source of new business referrals. In fact, we put so much value in it that we will visit the retailers regularly to enhance relationships and to ensure continued referrals.
 17. Cornerstone Golf Partners will establish a working relationship with third party Tee Time providers to promote Rea Park Golf Course and Hulman Links Golf Course.
 18. All discounted and promotional marketing of the golf club will be charted to evaluate performance.

Cornerstone Golf Partners will work closely with the area Hotels/Motels and convention centers in creating stay and play packages. The stay and play packages will be created to target the conference groups and Indiana State University activities that stay in the Terre Haute area. Also, packages will be created for all the high school and college games that the Terre Haute area hosts throughout the year. Cornerstone Golf Partners has vast experience in developing stay and play packages at our managed properties.

Cornerstone Golf Partners will promote Rea Park Golf Course and Hulman Links Golf Course within our current portfolio of clubs. Cornerstone Golf Partners has created inter-club matches between our portfolios of golf clubs. An annual Cornerstone Golf Partners Club Cup tournament will include patrons of Rea Park Golf Course and Hulman Links Golf Course to participate in. This event is rotated within the golf clubs we currently manage to host this event.

Cornerstone Golf Partners also cross promotes our golf clubs by issuing promotional discounts to visit and play all the golf clubs within our portfolio of golf clubs. Patrons of Rea Park Golf Course and Hulman Links Golf Course will have reciprocal playing privileges with all Cornerstone Golf Partners managed golf clubs.

Other packages that will be created will be with other area golf clubs to offer multiple plays at several courses. Cornerstone Golf Partners has had great success with this package in the Metro Atlanta area, and we would create relationships to partner with us in developing attractive golf packages. This package not only is beneficial to area clubs, but will also benefit Rea Park Golf Course and Hulman Links Golf Course by increasing play. The expense for this type of marketing program will be divided among the participating clubs and thus will reduce overall marketing expenses for Rea Park Golf Course and Hulman Links Golf Course.

Various Operational Programs and Services

1. **Golf Cart Rentals:**

Our experience indicates that the majority of the patrons take golf carts and thus sound cart policies are important. Our program is as follows:

1. All patrons must show a paid receipt to starter prior to play, and starter records cart number before play and condition of cart after play.
2. Daily inspections of all carts in the staging area to insure carts are ready for the patrons.
3. Cart attendants load bags and clean clubs if possible.
4. Drivers must have a driver's license to use a golf cart.
5. One full time employee maintains carts.
6. Present carts in a clean and ready to go manner with scorecard, pin placement sheet, comment cards, pencil, sand bottle, and beverage cooler.
7. Carts are placed in a rotation based on daily usage.
8. Detailed maintenance records kept in accordance with manufacturers specifications on each individual cart.
9. Carts will be cleaned daily by attendants prior to charging and stored in a secure area.
10. Carts will be pressure washed daily (except when water restrictions are in place).
11. Trash-can stations for paper and cans.
12. Safety equipment to include eye washer system and first aid station.

2. **Golf Instructional Programs**

Rea Park Golf Course and Hulman Links Golf Course will be the home of Rea Park Golf Course and Hulman Links Golf Course Schools of Golf, which in time will be recognized throughout greater Terre Haute area for its professional teaching programs. The Director of Instruction will conduct all teaching programs including individual, group, junior, golf camps, and men/ladies camp programs.

Rea Park Golf Course and Hulman Links Golf Course will have both a Director of Instruction and part-time PGA instructors who teach this great game. The latest high-tech cameras and teaching aids are used. Periodically, we will host complimentary Saturday clinics to introduce new players to the game, new players to the golf course, and new students to our instructors. You can count on Rea Park Golf Course and Hulman Links Golf Course and the Rea Park Golf Course and Hulman Links Golf Course Schools of Golf to offer great instruction under our stewardship.

3. **Junior Golf Program**

Rea Park Golf Course and Hulman Links Golf Course will offer a year-round Junior Golf Program, "Future Stars", that covers all areas of golf, and we use the **US Kids Personal Tee Golf Learning Program**. Personal Tee is a structured golf program that includes instructional booklets with various learning levels and incentive awards of hat pins and bag tags. This program will keep junior golfers excited and challenged in the game.

Under our stewardship, Rea Park Golf Course and Hulman Links Golf Course will conduct FREE golf clinics for the City of Terre Haute Outreach Programs, Special Olympics, local schools and

several local churches. We feel that golf can make a difference in a junior's life, and we will offer FREE clinics for juniors.

4. Annual Pass Program

All Cornerstone Golf Partners facilities have an Annual Pass/Membership Program of some type. An Annual Pass/Membership Program has proven to be an effective tool in creating camaraderie among the repeat patrons of the golf course. An Annual Pass/Membership Program also is a very important in creating a steady cash flow for the golf club. Cornerstone Golf Partners will work with the City of Terre Haute to develop an Annual Pass/Membership Program for Rea Park Golf Course and Hulman Links Golf Course.

5. Inventory

If awarded the contract, Cornerstone Golf Partners, Inc. would maintain an inventory of \$30,000.00 at Rea Park Golf Course and Hulman Links Golf Course. Cornerstone Golf Partners has a full understanding of the inventory requirements for the Golf Shops at Rea Park Golf Course and Hulman Links Golf Course. The Golf Shops will be fully stocked with current merchandise including men's and ladies apparel, major brands of golf balls, headwear, gloves, shoes, golf club sets, utility clubs, putters, wedges, rental sets of clubs and golf bags. All apparel and headwear will have the Rea Park Golf Course and Hulman Links Golf Course logos attached. Cornerstone Golf Partners guarantees the golf shop will be professionally managed and merchandised in an attractive manner.

6. Tournaments and Outings

Golf tournaments are a very important part of the overall success at Rea Park Golf Course and Hulman Links Golf Course. Cornerstone Golf Partners will create a mens, ladies and junior golf association that will play at Rea Park Golf Course and Hulman Links Golf Course. We will also plan and conduct club tournaments, inter club teams and activities for these associations. There are many charitable organizations that conduct golf tournaments in the Terre Haute area that Rea Park Golf Course and Hulman Links Golf Course will aggressively try to attract in hopes to become the host for these events.

Golf outings can be a very profitable business for Rea Park Golf Course and Hulman Links Golf Course. The General Manager/Director of Golf and professional staff will promote the club to corporations, charities, church groups, civic groups, etc. Rea Park Golf Course and Hulman Links Golf Course will deliver an appealing and complete outing and information package to interested parties. The golf staff in return administers the outings the day of the outing or event.

7. Driving Range

Cornerstone Golf Partners will operate a full-service driving range with quality range balls. Hours of operation will be posted and maintained. We will create and offer an annual range plan for patrons who practice often.

8. Complimentary Rounds of Golf

While complimentary rounds are found at every golf facility, the staff will monitor the tee sheet to avoid any unnecessary use of this privilege. All comp rounds are numbered and logged and are encouraged to play at non-peak times of the day, thereby avoiding the loss of any revenues.

9. Point of Sale System

Cornerstone Golf Partners will maintain an “Rec-Trac” point of sale system for Rea Park Golf Course and Hulman Links Golf Course. All patrons will be given a receipt upon every transaction and be required to present their receipt before playing golf. Receipt numbers will be kept on a Starter’s Log to control play on the golf course.

10. Experience with Capital Improvements and Capital Purchases

Cornerstone Golf Partners has been deeply involved in proposing, planning, and overseeing the completion of capital improvement projects at our various properties over the years. We were responsible for the initial development and construction of several Golf Clubs. We have managed numerous capital improvement projects, working closely with the owners of the facilities we have managed. Examples of these improvements and purchases include complete renovation of irrigation systems, conversion of bent greens to ultra-dwarf bermuda grass, cart paths, clubhouses construction, food and beverage operations, tennis clubs, entire golf course renovations, golf cart fleet and golf course equipment purchases.

During our tenure at Mystery Valley Golf Club, Sugar Creek Golf and Tennis Club, Collins Hill Golf Club and The Legacy, Cornerstone Golf Partners has worked closely with each municipality and owners to recommend capital improvement projects that will enhance the clubs and provide a safe, enjoyable experience for the patrons. Capital improvements that have been completed under our leadership at Cornerstone Golf Partners managed properties include green renovations, irrigation pump and controller replacement, cart path renovations, storm drainage renovations, clubhouse, parking lot, and landscape improvements, as well as the renovation of several bunkers. Cornerstone Golf Partners is currently working with all of our managed properties representatives in addressing future capital improvements with the properties including irrigation system renovations, irrigation dam construction, bridge improvements, complete bunker renovations, and cart storage building renovations.

Please refer to Rea Park Golf Course and Hulman Links Golf Course Sample Capital Budget Proposal, Letter H

11. Food and Beverage

Under our stewardship, Cornerstone Golf Partners will maintain a successful Food and Beverage operation at Rea Park Golf Course and Hulman Links Golf Course. A full-service Food and Beverage operation is not only important in the daily operations of a golf club, but also allows you to market the facility for private parties, golf tournaments, business meetings, takeout orders, holiday

parties and wedding receptions.

It is Cornerstone Golf Partners belief that a full-service Food and Beverage operation would not only enhance the level of service to the Patrons but would also provide a positive revenue stream to Rea Park Golf Course and Hulman Links Golf Course. At this current time, Cornerstone Golf Partners would recommend a full-service Food and Beverage operation at Rea Park Golf Course and Hulman Links Golf Course. Cornerstone Golf Partners feels that the revenues and rounds played at Rea Park Golf Course and Hulman Links Golf Course could support a full-service Food and Beverage operation.

Cornerstone Golf Partners would work closely with the City of Terre Haute in developing a full-service Food and Beverage operation at Rea Park Golf Course. Cornerstone Golf Partners would propose expanding the service currently being offered to include pizza, sub sandwiches and chicken wings. This service can be added with a small capital cost of around \$10,000.

12. Rea Park Golf Course and Hulman Links Golf Course Web Site

Cornerstone Golf Partners will create and maintain a web site for Rea Park Golf Course and Hulman Links Golf Course. The Rea Park Golf Course and Hulman Links Golf Course web sites will be interactive sites, with a home page that offers links to membership, course information, food and beverage service, history page, rates, calendar of events page, golf outings, tournaments, and The Rea Park Golf Course and Hulman Links Golf Course School of Golf. The site will be enhanced with pictures and graphics of both Rea Park Golf Course and Hulman Links Golf Course. You may visit the web site for The Legacy at www.golfthelegacy.com to view an example of the web site that will be developed for Rea Park Golf Course and Hulman Links Golf Course.

13. Starters and Rangers

The main job of the starter is to call the groups to the tee at their scheduled time and provide the patron with the necessary information to fully enjoy their day. In order to let our patron's know any special requirements or information for their round that day, the starter will be trained on how to speak to the patrons. Information will include: how yardages are marked on the course, golf cart rule for the day, hazards are clearly marked, pace of play rule, player assistants will be on the course, location of restrooms, rain shelters, water coolers and record the group name, start time, and cart number on starter sheet.

Player assistants (term used to describe course marshal or ranger) shall be used each day to monitor the pace of play and to assist patrons when necessary. Various tools will be used to assist each staff member in monitoring pace of play. These tools will include a Player Assistant Documentation Sheet, copy of the tee sheet, log sheet that highlights the groups starting times, turn times, and finish times. The player assistant staff is trained on how to communicate to groups the policy on pace of play for Rea Park Golf Course and Hulman Links Golf Course.

14. Relationship with the City of Terre Haute

Cornerstone Golf Partners will establish working relationships with all the City of Terre Haute Departments.

Cornerstone Golf Partners will provide to the City of Terre Haute the following reports:

1. Weekly Revenue and Round Reports
2. Monthly and Year End Financials
3. Golf Rate Schedule
4. Food and Beverage Menu
5. Rounds of Golf Report

Cornerstone Golf Partners will be available to attend meetings with all of the City of Terre Haute Departments associated with Rea Park Golf Course and Hulman Links Golf Course.

Cornerstone Golf Partners understands that the City of Terre Haute has the right to audit the financials associated with the operations of Rea Park Golf Course and Hulman Links Golf Course. Cornerstone Golf Partners will make available all the necessary documents to complete such an audit.

15. Handling of Public Funds

Cornerstone Golf Partners understands the policies and procedures for the handling of public funds, including the handling of all revenues and expenses associated with City of Terre Haute and Rea Park Golf Course and Hulman Links Golf Course. Cornerstone Golf Partners will be responsible for procuring all purchases necessary for the operation and maintenance of Rea Park Golf Course and Hulman Links Golf Course and the related payments of all vendors. Cornerstone Golf Partners will also establish an operating bank account in the name of Rea Park Golf Course and Hulman Links Golf Course and establish financial reporting to the City of Terre Haute. We understand and encourage that these policies be audited by the City of Terre Haute.

16. Licenses and Permits

Cornerstone Golf Partners understands that Cornerstone Golf Partners will provide and keep up to date all licenses and permits required by the City of Terre Haute, the State of Indiana and the Federal Government associated with the operation of Rea Park Golf Course and Hulman Links Golf Course. Cornerstone Golf Partners fully understand the requirement that Cornerstone Golf Partners will be required to secure and maintain in our company name all alcohol licenses associated with Rea Park Golf Course and Hulman Links Golf Course.

17. Local Small Business

Cornerstone Golf Partners mission at all of our managed properties is that we always support Local Small Business when possible. Cornerstone Golf Partners feels so strongly in this philosophy that

our managers are directed to make every effort possible to support Local Small Business.

18. Environmental Responsibility

Cornerstone Golf Partners is keenly aware of what impact we may have on the environment and our responsibility to ensure that our impact is a positive one. Cornerstone Golf Partners has experience on a variety of golf courses with different environmental conditions ranging from wetlands and fresh water lakes to native grass areas and public parklands. All of our courses serve as a habitat for all types of wildlife and plant species. Cornerstone Golf Partners will utilize all available methods to ensure that the various environmental concerns of Rea Park Golf Course and Hulman Links Golf Course are protected. We will use Best Management Practices (BMP's) and Integrated Pest Management (IPM) to create a wonderful playing experience for our guests while protecting environmentally sensitive areas on the properties. Some of these methods include:

1. Creating buffers along the edges of lakes and waterways where chemicals and fertilizers will not be applied.
2. Keeping all machinery out of wetland environments and maintaining those areas through hand work only.
3. Implementing erosion control methods when disturbing areas during projects.
4. Maintaining a healthy stand of turf grass which is the best environmental protection.
5. Controlling water usage through irrigation outputs to maintain a dry, firm playing surface while protecting our most precious resource.
6. Encouraging wildlife inhabitation of the courses by creating natural areas and buffers.
7. Properly storing chemicals and fertilizers.
8. Getting yearly inspections of chemical mixing areas, equipment wash areas, and pesticide application records from the Indiana Department of Natural Resources.
9. Properly disposing of used oil, tires, and hazardous waste materials.
10. Being environmentally conscious when choosing equipment and products to be used on the golf courses.

B. Financial Resources and Related Terms

1. Financial Resources

The fact that Cornerstone Golf Partners already provides financial funding for the Management, Operations and Maintenance for our current clients proves that Cornerstone Golf Partners has sufficient working capital to Manage, Operate and Maintain Rea Park Golf Course and Hulman Links Golf Course for the City of Terre Haute. Cornerstone Golf Partners fully understand

Please refer to Cornerstone Golf Partners Financial Statement under Tab 5

2. Performance Bonds

Cornerstone Golf Partners has experience in applying for and securing performance bonds for several of our clients. We would work closely with the City of Terre Haute in securing any requires

performance bonds.

3. Insurance Requirements

Cornerstone Golf Partners has reviewed the insurance requirements as outline the RFP and has a full understanding of the coverages required. Upon execution of contract Cornerstone Golf Partners will provide certificates of insurance coverages as outlined in the RFP.

C. Contractor Qualifications

Cornerstone Golf Partners and principals have developed, owned, and/or managed golf and tennis clubs of all types, cost, and size. While currently active in municipal owned, semi-private and privately-owned operations, the development and management of municipal owned and daily fee clubs like The Legacy, Collins Hill Golf Club, Mystery Valley Golf Club, Sugar Creek Golf and Tennis Club, Sapelo Hammock Golf Club, and Mary Calder Golf Club has been our primary focus in the golf industry.

Prior to the formation of Cornerstone Golf Partners, our principals were associated with some of the country's premier resorts in Hawaii, Hilton Head, and Colorado. On Hilton Head, this experience included Sea Pines Plantation, Indigo Run Plantation, Shipyard and Port Royal Plantations, and Wexford Plantation. Amenities included golf, tennis, restaurant, golf maintenance, and marina operations. This experience also included management of PGA Tour Events, Family Circle Tennis Championship, Senior PGA Tour and NGA Hooters Tour events, including the PGA Heritage Golf Classic.

The company name and business address are as follows:

Cornerstone Golf Partners
Attn. Alan C. Cale
PO Box 6989
Hilton Head Island, SC 29938

Cornerstone Golf Partners was established in March 1995 and is a registered corporation in the State of Georgia. If awarded the contract with the City of Terre Haute, Cornerstone Golf Partners will register as a corporation with the State of Indiana.

The manger that will be responsible for implementing this project for the City of Terre Haute is as follows:

Alan C. Cale
Vice President/Co Principle
Chief Operating Officer
Cornerstone Golf Partners
PO Box 6989
Hilton Head Island, SC 29938

Direct Line: 912-308-4019
Fax: 843-363-5799
Email: acale@cornerstonegp.com

D. References/Current Projects

1. References

Rick Morris
Community Services-Business Management
Gwinnett County
75 Langley Drive
Lawrenceville, GA 30046
Tel. 770-822-8863
Email: krick.morris@gwinnettcountry.com

Marlon Barefield
Accounting Manager
International Paper Savannah Mill
P.O. Box 570
Savannah, GA 31402
Tel. 912-238-6582
Email marlon.barefield@ipaper.com

Gina Holt
City Manager
City of Springfield
PO Box 788
Springfield, TN 37172-0788
Tel. 615-382-2200
Email gholt@springfield-tn.org

S. Michael Hardy
President Executive Committee
Shellamn Bluff Acquisition, LLC
Sapelo Hammock Golf Club
1354 Marshview Drive
Townsend, GA 30331
Tel. 850-621-0150
Email hardy.smichael@gmail.com

Account Manager
E-Z-GO Golf Cart Company
Textron Company
2421 Mike Padgett Highway

Augusta, GA 30906
Tel. 706-301-6851
Email kblanton@textron.com

2. Current Projects

The Legacy Golf Club, Springfield, Tennessee

- Membership/Daily fee.
- 18 holes, 6650 yards.
- 8,000 SF clubhouse.
- 25,000- 30,000 annual rounds
- 50 employees
- Scope of work includes golf course, driving range, food & beverage, and course maintenance operations.
- \$800,000 to 1 million annual gross revenues.
- Contract began December 2014 and runs through 2017.
- Owner's representative is Ms. Gina Holt, City Manager, PO Box 788, Springfield, TN 37172-0788
- 615-382-2200

Collins Hill Golf Club, Lawrenceville, GA

- Membership/Daily fee.
- 18 holes, 6000 yards.
- 8,000 SF clubhouse.
- 25,000 annual rounds.
- 30 employees
- Scope of work includes golf course, driving range, food & beverage, and course maintenance operations.
- \$900,000 gross annual revenues.
- Contract began in January 2011 and runs through December 2025.
- Owner's representative is Mr. Rick Morris, Community Service-Business Management
- Gwinnett County Georgia, 75 Langley Drive, Lawrenceville, GA 30046
- 770-822-8863

Sapelo Hammock Golf Club, Townsend, GA

- Membership/Daily fee.
- 18 holes, 6500 yards.
- 10,000 SF clubhouse.
- 20,000 annual rounds.
- 40 employees
- Scope of work includes golf course, driving range, food & beverage, and course maintenance operations.
- \$700,000 to \$800,000 gross annual revenues.

- Contract began in July 2012 and runs through December 2018.
- Owner's representative is Mr. S. Michael Hardy, President Executive Committee, Shellman Bluff Acquisition, LLC.
- Shellman Bluff Acquisition, LLC, 1354 Marshview Drive, Townsend, GA 31331
- 850-621-0150

Mystery Valley Golf Club, Lithonia, Georgia

- Membership/Daily fee.
- 18 holes, 6700 yards.
- 10,000 SF clubhouse.
- 40,000 to 46,000 annual rounds
- 40 employees
- Scope of work includes golf course, driving range, food & beverage, and course maintenance operations.
- \$900,000 to 1.2 million annual gross revenues.
- Contract began February 2002. Contract was renewed in 2011 for an additional 10 years.
- Owner's representative is Ms. Page Singer, DeKalb County Department of Parks and Recreation
1300 Commerce Drive, Decatur, Georgia 30030
- 404-371-6270 cell 404-597-8959

Sugar Creek Golf Course, Atlanta, Georgia

- Membership/Daily fee.
- 18 holes, 6500 yards.
- 5,000 SF clubhouse.
- 30,000 to 36,000 annual rounds
- 10 employees
- Scope of work includes golf course, driving range, food & beverage, and course maintenance operations.
- \$600,000 to \$800,000 annual gross revenue.
- Contract began February 2002. Contract was renewed in 2011 for an additional 10 years.
- Owner's representative is Ms. Page Singer, DeKalb County Department of Parks and Recreation
1300 Commerce Drive, Decatur, Georgia 30030
- 404-371-6270 cell 404-597-8959

Mary Calder Golf Club, Savannah, Georgia

- Membership/Daily fee.
- 9 holes, 6650 yards.
- 5,000 SF clubhouse.

- 17,000- 20,000 annual rounds
- 20 employees
- Scope of work includes golf course, food & beverage, and course maintenance operations.
- \$350,000 annual gross revenues.
- Contract began February 2004 and runs through 2017.
- Owner's representative is Mr. Marlon Barefield, Accounting Manager, International Paper Savannah Mill, P.O. Box 570, Savannah, Georgia 31402, 912-238-6582 cell 912-856-2610

3. Facility Experience

The Legacy

Cornerstone Golf Partners has managed The Legacy, a Raymond Floyd designed, upscale, residential, daily fee facility owned by the City of Springfield, TN, since December of 2014. Cornerstone Golf Partners' contract with the City of Springfield is to provide management services for the entire operations associated with The Legacy including the golf course, driving range, pro shop, clubhouse, and restaurant operations.

When Cornerstone Golf Partners assumed management of The Legacy, the operation was in a downward spiral. The contract began midyear in what proved to be the worst financial year in the twenty-year history of The Legacy. The golf course was in poor condition, customer service was severely lacking, and the reputation of the facility was in disrepair. We immediately began the task of restoring the image of The Legacy. Our top priority was to put a management team in place that could effectively lead the staff to provide an excellent product and consistent, yet outstanding service. We conducted a national search to fill the management positions and immediately began a program to train the staff to promote and project the highest standard of customer service. Our second priority was to invite the patrons of The Legacy to participate in creating its new identity. We did this by having an open forum as soon as we assumed operations to let the patrons express their opinions and concerns and inform them of our proposed plans. From there we set up an advisory committee comprised of five golfers which represent our various customer groups (senior golfers, lady golfers, casual golfers, competitive golfers, and neighboring homeowners). The advisory committee meets quarterly with the management team to discuss what is happening at the facility and any upcoming plans. This allows for a two-way channel of communication from our patrons to our managers and vice-versa. It has proven to be a real asset to our operations.

To reestablish the image and reputation of The Legacy, the golf course conditions had to improve dramatically. Cornerstone Golf Partners implemented our proven agronomic standards and trained the staff to provide consistent playing conditions and great attention to detail. Although many fairways had been lost, aggressive turf management practices allowed patrons to play their ball down within the first growing season. Our ongoing application of our agronomic program has continued to improve conditions.

Cornerstone Golf Partners has also made many improvements to the infrastructure of the facility. On-course improvements include the in-house renovation of thirteen bunkers using the Better Billy Bunker method, several drainage additions and repairs, reclamation of natural areas, and numerous repairs to the irrigation and pumping system. Off-course improvements that we have made include the painting of the interior of the clubhouse, replacement of gutters, soffits, and siding on the clubhouse, refurbishing of the bar in the restaurant, and new carpeting throughout the clubhouse.

Finally, a marketing plan and management strategy had to be established to showcase the new management and get the word out that The Legacy was reaching new heights. Rather than default to the old tactics of discounting, Cornerstone Golf Partners took a bold approach of eliminating the numerous discount plans in place and focusing on creating value at rack rate. We created an annual pass program that quickly blossomed into a core group of customers. We also established a men's association. We launched an annual 2-man tournament that had 66 teams in its second year. We put together a PGA Junior League team and set up several junior golf camps both on site and at the local YMCA. We have fully embraced the technology available to us to market the facility including our website, email database, social media, as well as radio, television, and print ads. Cornerstone also made a concerted effort to reestablish relationships with corporate and charity tournament directors that had previously held tournaments at The Legacy but had moved them to other facilities. We were able to bring almost every single one back to The Legacy. In addition to corporate and charity outings, in 2016 we hosted the Web.com Tour Greater Nashville Open Qualifier, the Tennessee State Junior Amateur Championship, the Tennessee High School Athletic Association Regional Championship, and the Tennessee Valley Golf Association Match Play Championship. We are also set to host the 2017 US Golf Challenge Championship for the state of Tennessee.

Under the stewardship of Cornerstone Golf Partners, The Legacy has not only reversed its financial path but has also reached heights never seen before. As mentioned, Cornerstone assumed management of the facility in the middle of the fiscal year of what proved to be the lowest revenue year in its history. However, in our first full fiscal year of management, Cornerstone produced the highest revenue in The Legacy's history. That one-year turn around was marked by a \$264,000 increase in revenue and an increase of 6,000 rounds. The second full fiscal year is on pace to increase revenue by an additional \$100,000.

Collins Hill Golf Club

Cornerstone Golf Partners has been the Management Firm for Collins Hill Golf since January 2011. Collins Hill Golf Club is an 18 hole, daily fee facility in Lawrenceville, Georgia owned by Gwinnett County, and our contract with the Gwinnett County is to manage, operate and maintain Collins Hill Golf Club.

Upon assuming the management responsibilities at Collins Hill, Cornerstone Golf Partners faced several difficult challenges. The focus was put on three primary issues: improve course conditions,

elevate the perception in the community of the facility and offer programs designed to build customer loyalty and increased usage of the facility.

Golf course and clubhouse grounds conditions improved dramatically by hiring a qualified Director of Golf Course as our golf course superintendent. Our superintendent immediately began a program of fertilization and weed control on all areas of the course. The greens maintenance program included regular aeration, vertical mowing, and top dressing of our Champion Bermuda greens. These practices along with tree trimming and brush removal improved course conditions and were welcomed improvements by our patrons.

To address the issue of service and the perceived image in the community, a highly-qualified PGA Professional was hired as General Manager/Director of Golf. All staff members undergo continuous training on customer service standards to insure all patrons feel welcome and appreciated at Collins Hill. Programs such as the Men's and Ladies' Golf Associations were established. Conducting weekly dogfights, monthly tournaments and special Men's Golf Association trips add to the experience of playing at Collins Hill Golf Club. The course hosts many junior events, outside outings and its own Perrin Walker Cup annually.

Golfers play more golf when they play better golf, so the Collins Hill Golf Academy was established to address the needs of all levels of players. Instruction provided by our PGA Professional include weekly clinics, Collins Hill Academy, private lessons, Get Golf Ready classes as well as Junior Golf Camps. Recently Collins Hill became a Program Facility for The First Tee of Atlanta. The Collins Hill Golf Academy and its programs aided in attracting new golfers and members to Collins Hill.

A marketing plan was implemented to promote the positive experience patrons could expect at Collins Hill. Print ads, radio promos, social media and community engagement were all utilized to grow brand awareness of Collins Hill.

Cornerstone Golf Partners continues to raise the image of Collins Hill by raising our standards of service each year. We strive to give the residents of Gwinnett County a facility of which they can be proud.

E. Organization and Management

1. Key Personal

Alan C. Cale

Vice President

Co-Principal Owner

Chief Executive Officer

Chief Operating Officer
Cornerstone Golf Partners, Inc.

Alan is Vice President, Co-Principal Owner, Chief Executive Officer, and Chief Operating Officer of Cornerstone Golf Partners, Inc. Alan has worked in the golf industry for 35 years, including serving as General Manager and Director of Golf positions at various golf clubs and tennis clubs throughout the Southeast. Alan has professional associations with the PGA of America, Golf Course Superintendents Association of America and National Golf Course Owners Association. Alan continues to attend educational conferences associated with the golf industry. Alan's current responsibilities and duties include the following: Serve as Chief Operating Officer for Cornerstone Golf Partners, Inc. in the management and operations of all Management Contracts; Have a personal presence at all Cornerstone Golf Partners properties; Oversee the development of new management contracts; Prepare and Implement Annual Operating and Capital Budgets for all Cornerstone Golf Partners contracts; Responsible for the recruitment, training and supervision of all management staff associated with Cornerstone Golf Partners; Represent Cornerstone Golf Partners as Chief Executive Officer in meeting with all owner representatives and staff members associated with Cornerstone Golf Partners contracts; Prepare and implement with the assistants of management staff all marketing programs; and Represent Cornerstone Golf Partners locally and nationally in education and business conferences.

John S. Crumbley
Cornerstone Golf Partners, Inc.
Director of Golf Operations

John serves as Director of Golf Operations for Cornerstone Golf Partners. John has been a Class A Member of the PGA for over 20 years and has over 17 years experience as a Director of Golf or General Manager. In 2007, John became one of the first PGA Members to earn the status of "Certified PGA Professional" by completing the PGA Certification Program. In 2006 and again in 2007, John was awarded the "Growth of the Game" award by the Georgia PGA. The award is given annually to a PGA Member who has demonstrated considerable effort in growing the game of golf. In 2008 John was elected to the Georgia PGA's Board of Directors (3-year term). John's responsibilities and duties include: Assist in the preparation and implementation of annual operating budgets for Cornerstone Golf Partners properties; The supervision, recruitment and training of all management team members with the clubhouse operations for Cornerstone Golf Partners; Assist in the preparation and implementation of the marketing programs; Oversee the golf cart management programs; Assist in the management of the golf shop staff; Assist in the management of food and beverage operations; Oversee the purchase and inventory control of all golf shop merchandise; Oversee the purchase and inventory control of food and beverage operations; The development, training of staff and implementation of the annual pass programs; and The development of web sites for all Cornerstone Golf Partners properties.

Chet W. Frazier
Cornerstone Golf Partners, Inc.
Director of Golf Course Operations

Chet serves as Director of Golf Course Operations for Cornerstone Golf Partners. Chet is a Class "A" member of the Golf Course Superintendents Association of America with twenty years of experience in golf course management and operations. Chet has vast experience with an assortment of turfgrass varieties including bentgrass and ultra-dwarf bermudagrass greens. Chet has successfully overseen the start and completion of numerous capital improvement projects. Chet is very skilled in expense forecasting, expense management and short and long range planning. Chet is accomplished at developing agronomy plans to revitalize golf courses that have struggled with conditions. He is also a certified pesticide applicator. Chet's responsibilities and duties include the following: To oversee and implement golf course maintenance operations for Cornerstone Golf Partners; Provide leadership and guidance to golf course superintendents associated with Cornerstone Golf Partners; Assess and develop agronomic plans for new contracts; Oversee and create Integrated Pest Management programs for all properties; The development of yearly and long range operational and capital improvement plans; Forecast and implement expense budgets for all golf courses; and Management of all inventories and equipment maintenance and equipment replacement programs.

Andy Sutton

Cornerstone Golf Partners
Accountant/Controller

Andy is an Accounting graduate of Bobby Jones University and has a Masters in Accounting from Bobby Jones University. Andy has worked for Cornerstone Golf Partners, Inc., for 7 years and specializes in golf club and resort accounting. Andy supervises all daily accounting activity, monthly and annual reporting, processing of invoices, revenues are booked appropriately; establishes internal controls, bank accounts, and all payroll processing. Andy has a staff of four that assist him in payroll, accounting, accounts payable, accounts receivable and human resources with The Legacy.

Michael W. Hammons

Cornerstone Golf Partners, Inc.
Equipment Manager
Mystery Valley Golf Club

Michael has been a member of the Cornerstone Golf Partners management team for over nine years. He began as the Equipment Manager at Mystery Valley Golf Club. He has been a technician managing golf course equipment fleets since 1992.

William (Billy) E. Bulmer

Cornerstone Golf Partners
Associate Golf Professional
Mystery Valley Golf Club

Billy is a PGA Apprentice Level 1 and has been with Mystery Valley since 2002 as a Staff Professional. Billy has taught over 1500 golf lessons while at Mystery Valley and has specialized in providing golf instruction for the physically and mentally challenged youth. Before joining the Mystery Valley team Billy worked at Walt Disney World and Country Club of the South in the golf

operations. Billy played for four years on the National Golf Association Professional Golf Tour, the third largest men's professional golf tour in the US.

Gordon McIntire

Cornerstone Golf Partners
Associate Golf Professional
Mystery Valley Golf Club

Gordon is a Class "A" PGA Professional and has been part of the Mystery Valley team since 2006. Gordon served in the USAF for 20 years and retired as a Master Sergeant with distinguished honors as an Assistant USAF Facility Manager. After retiring from the USAF, Gordon worked at Towne Lake Hills Golf Club and The Frog Golf Club while working through his PGA Apprenticeship.

Chris Hankey

Cornerstone Golf Partners
Director of Golf Course Operation
Sapelo Hammock Golf Club

Chris is a Class "A" member of the Golf Course Superintendents Association of America and has served as the Director of Golf Course Operations at Sapelo Hammock Golf Club for the past four years. Chris has over twenty-two years of experience in the management of golf course maintenance operations including six years as the Golf Course Superintendent at Haig Point Golf Club located on Daufuskie Island, SC. Chris is a Certified Pesticide Applicator in the State of Georgia.

Scott H. Hare

Cornerstone Golf Partners
General Manager/Director of Golf
Collins Hill Golf Club

Scott is a Class "A" member of the PGA and serves as General Manager/Director of Golf at Collins Hill Golf Club. Scott is a twenty-two-year veteran in the golf industry, serving 18 years in the private club business as a general manager and director of golf at clubs ranging from high end private clubs to mid-level private and public golf clubs. Scott has also served as Director of Instruction for the First Tee of Chattanooga. Scott has also been active in governance in the PGA, serving as Secretary, Vice President and President of the Tennessee Section of the PGA, as well as serving on the Board of the Tennessee Golf Foundation.

2. Organization Charts

Cornerstone Golf Partners

Alan C. Cale
Vice President
Chief Operating Officer

John S. Crumbley
Director of Golf Operations

Chet W. Frazier
Director of Golf Course
Operations

Andy Sutton
Accountant/Controller

Mary Calamari
Human Recourses/Payroll

Donna Lewis
Accounts Payable

Chris Hankey
Director of Golf Course
Operations
Sapelo Hammock Golf
Club

David Becton
Equipment Manager
Mystery Valley Golf Club

Scott Hare
General Manager/Director
of Golf
Collins Hill Golf Club

Rea Park Golf Course and Hulman Links Golf Course

Cornerstone Golf Partners

Alan Cale
Vice President
Chief Operating Officer

General Manager/Director
of Golf
Rea Park Golf Course and
Hulman Links Golf Course

Director of Golf Course
Operation
Rea Park Golf Course and
Hulman Links Golf Course

Director of Instruction
Rea Park Golf Course and
Hulman Links Golf Course

Equipment Manager

Support Golf Shop/Outside
Staff Rea Park Golf Course
and Hulman Links Golf
Course

Support Golf Course
Maintenance Staff Rea Park
Golf Course and Hulman
Links Golf Course

Food and Beverage Staff
Rea Park Golf Course and
Hulman Links Golf Course

F. Proposed Transition Plan and Schedule

Cornerstone Golf Partners would implement the following plan when awarded the contract:

1. Day 1
A forty-five (45) day Notice to Proceed issued to Cornerstone Golf Partners from the City of Terre Haute
2. July 1st
Signing of Contract to start operations on August 1, 2017. Apply for all licenses require to operate Rea Park Golf Course and Hulman Links Golf Course. Implement Marking Plan.
3. July 2nd
Representatives of Cornerstone Golf Partners and the City of Terre Haute will have a meeting to discuss a plan leading up to the start date of contract. Set site visits to inspect all properties. Set dates for taking of inventories and transfer of operations to Cornerstone Golf Partners.
4. July 3rd
Meet with current staff of Rea Park Golf Course and Hulman Links Golf Course to begin interview process to fill all positions. Have a job fair to begin taking applications of all staff positions available.
5. July 5th
Open bank accounts, vendor accounts and credit card merchant accounts. Order POS system to have in place for opening.
6. July 15th
Announce Management Positions for Rea Park Golf Course and Hulman Links Golf Course.
7. July 29th
Begin staff training program for Rea Park Golf Course and Hulman Links Golf Course.
8. August 1st
All inspections of properties completed and dates conformed for transfer of golf carts and maintenance equipment.
9. Opening Date announced and all local media outlets are informed of Grand Opening Date and invited to visit facilities. All management will be available for interviews on opening date.
10. August 15th
Grand Opening

G. Litigation, Bankruptcy, Termination, and Default History

During the last five (5) year period Cornerstone Golf Partners has not filed or had filed against Cornerstone Golf Partners any material litigation by a city, authority or public entity. Furthermore, Cornerstone Golf Partners has not filed for bankruptcy; or had any of our contracts termination for cause; or defaulted on any contracts.

H. Sample Proposed Capital Improvement Plan

Rea Park Golf Course and Hulman Links Golf Course Sample 2016-2017 Capital Budget Proposal and Justification

Cornerstone Golf Partners is pleased to present the City of Terre Haute with the FY 2017/2018 proposed Capital Budget for Rea Park Golf Course and Hulman Links Golf Course. We would like to take the opportunity to also present some justification for the numbers we have budgeted.

Proposed Capital Budget

We have proposed several areas for capital expenditures. I believe we have discussed all of these over the course of the previous year. Understandably, it may not be feasible to address all of these items in one budget year, so I will address them here by priority.

1. **Equipment Replacement** – We presented the 10-year equipment replacement plan not long after assuming the operations of Rea Park Golf Course and Hulman Links Golf Course. It has since been updated, and I believe that has been forwarded to you. As we move forward, I'm sure it will require updating from time to time as it becomes evident that one unit may require replacing earlier than planned while another may last longer than anticipated. However, we will do our best to keep the yearly dollar amount as close to what is reflected on the 10-year plan as possible. For FY 2017/2018, we are requesting the following units in prioritized order:

a. Tractor	\$30,000
b. Heavy Duty Utility Truckster	\$21,000
c. Front Deck Rotary Mower	\$23,000
d. Light Duty Utility Cart	\$ 9,000
e. Tractor Blower	\$ 6,000
Total Equipment Replacement	\$89,000

2. **Bunker Renovation** – We plan to continue the bunker renovation process from year to year utilizing the Better Billy Bunker method. In FY 2017/2018, we plan to renovate approximately 15,000 sq. ft. of bunkers at a cost of **\$45,000**.
3. **Cart Path Replacement** – We have surveyed the cart paths and identified the areas that need attention. We have classified them as low, medium, and high priority. In FY 2017/2018, we recommend addressing only the high priority areas which entails approximately 9,100 sq. ft. of cart path and 350 linear feet of curbing. We recommend adding curbing to any area of cart path that is replaced around greens and tees to assist with traffic control and protecting the turf next to the path. The total cost of the high priority areas is budgeted at **\$60,000**.
4. **Drainage Installation** – We recommend the installation of approximately 2,000 linear feet of drainage to move water off of fairways and dry out areas around greens. This project would be very similar to what we are about to undertake on #1 fairway in the next few weeks. The total cost of the drainage project is budgeted at **\$7,000**.
5. **Grill Room Furniture** – We believe that updated furniture in the grill room would greatly enhance the overall presentation of Bradford Creek. This is not likely to improve revenue like the on-course projects, so it is lower on the priority list. We are budgeting eight 4-top tables and chairs, six pub height tables with stools, and five stools for the bar at **\$10,000**.
6. **Painting the Interior of the Clubhouse** – We believe that painting the interior of the clubhouse is the final piece that will give Rea Park Golf Course the positive image that we would like the customer to experience when visiting the golf course. Included in the painting project would be the painting of the ceiling tiles. If this cannot be accomplished in this year's capital budget, we would most likely undertake the painting of the walls in house. The cost of painting the interior walls and ceiling of the clubhouse is budgeted at **\$8,000**.

Capital Budget Summary

CAPITAL ITEM/PROJECT	ITEM/PROJECT COST
EQUIPMENT REPLACEMENT	\$89,000
BUNKER RENOVATION	\$45,000
CART PATH REPLACEMENT	\$60,000
DRAINAGE INSTALLATION	\$7,000
GRILL ROOM FURNITURE	\$10,000
PAINTING INTERIOR OF CLUBHOUSE	\$8,000
TOTAL CAPITAL EXPENDITURES	\$219,000

Conclusion

Cornerstone Golf Partners is very grateful for the opportunity to serve the City of Terre Haute and its citizens. We are extremely excited about what the future holds for Rea Park Golf Course and Hulman Links Golf Course. We look forward to building on the success we have had in our first full year. We believe that with the approval of the proposed capital budget, Rea Park Golf Course and Hulman Links Golf Course will be able to take another giant step forward in FY 2017/2018. We look forward to hearing from you and will gladly work with you to make adjustments as necessary.

Thank you,
Alan C. Cale
Vice President
Cornerstone Golf Partners, Inc.

I. Rea Park Golf Course and Hulman Links Golf Course

Agronomic Specifications

1. Bentgrass Greens

1. Mowing - mowed daily in alternating directions at a height of cut conducive to maintaining healthy turf conditions and desired green speeds. Double cutting and/or rolling may be utilized as growing conditions, smoothness and firmness of greens surface, and greens speed dictate.
2. Pin locations will be changed daily and alternated into specified zones.
3. Aeration – greens will be core aerated in the early spring and fall and vented with solid tines periodically during the summer stress period to maintain healthy turf.
4. Vertical Mowing/Spiking – Vertical mowing will be performed in the spring and fall. Spiking will be utilized as needed throughout the growing season.
5. Fertilization – A combination of greens grade granular fertilizer and liquid fertilizer will be applied based upon soil and tissue analysis, weather conditions, and agronomic experience.
6. Top Dressing – light topdressing will be performed on a biweekly basis throughout the growing season. Heavier topdressing will accompany aeration and vertical mowing. Topdressing sand that meets existing soil profile analysis will be utilized.
7. Weed Management – pre-emergent and post-emergent herbicides along with hand removal of weeds will be used to maintain a virtually weed free environment.

8. Disease Management – A comprehensive preventative fungicide program designed with the specific turf variety, soil medium, and growing conditions in mind will be implemented throughout the growing season to maintain disease free, healthy turf. Greens will be scouted daily and curative fungicide applications will be used when there is active disease present.
9. Pest Management - Integrated Pest Management Program will be dictated by insect activity.

2. Tees

1. Mowing - mowed a minimum of three days per week in an alternating pattern throughout the growing season.
2. Tee Set Up - daily rotation of markers to coincide with pin placements to provide uniform yardages. Trash receptacles and ball washers will be maintained daily.
3. Aeration - all tees will be aerated a minimum of twice per year.
4. Vertical Mowing/Spiking - performed as needed throughout the growing season.
5. Fertilization - granular and liquid fertilizers will be applied throughout growing seasons based upon soil analysis.
6. Topdressing - performed as needed throughout the growing season and accompanying aeration and vertical mowing to be supplemented with regular topdressing of divots.
7. Weed Management – pre-emergent and post-emergent herbicides as well as mechanical controls will be used to maintain a virtually weed free turf.
8. Insect Management- Integrated Pest Management Program will be dictated by insect activity.
9. Overseeding - all tees will be seeded with a perennial rye grass blend at recommended rates. Additional seed will be applied as needed throughout the winter months.

3. Fairways

1. Mowing - fairways will be mowed a minimum of three times per week during the growing season (subject to weather conditions) and as needed during the winter months. Growth regulators may be used to keep the turf in manageable conditions.
2. Aeration - all fairways will be aerated twice per growing season. Additional aeration will be determined by agronomic consideration.
3. Vertical Mowing - performed as needed to maintain proper thatch levels.
4. Fertilization - granular and liquid fertilizer application will be based on soil and tissue analysis.
5. Weed Management - pre-emergent and post-emergent herbicides along with hand removal of weeds will be used to maintain a virtually weed free environment.
6. Disease Management – A comprehensive preventative and/or curative fungicide program designed with the specific turf variety, soil medium, and growing

conditions in mind will be implemented throughout the growing season to maintain disease free, healthy turf.

7. Pest Management - Integrated Pest Management Program will be dictated by insect activity.

4. Bunkers

1. Raking - mechanical or hand raking will take place daily.
2. Edging - to insure a manicured appearance the bunkers will be edged monthly during the growing season.
3. Mowing - maintaining bunker faces one time per week during growing season.

5. Tree Maintenance

1. Pruning of all trees and plant material under 15 feet will be done on an annual basis to insure good health and appearance.
2. Damaged tree removal and trees greater than 15 feet will be performed by a licensed Arborist.

6. Landscape Areas

1. Clean Up -golf course and clubhouse grounds will be policed daily for trash and debris.
2. Weed Management - plant beds and tree rings shall be maintained virtually weed free using both chemicals applied by licensed applicator and mechanical controls.
3. Insect/Disease Management - Integrated Pest Management Program shall be used by licensed applicator, to control insect infestations.
4. Edging - trim around all plant beds, curbs, street, trees, buildings etc. and remove debris immediately, as needed.
5. Fertilization - plant beds, shrubs, woody ornamentals and ground covers shall be fertilized twice annually at recommended rates.
6. Mulching - beds shall be maintained with three inches of material specified.

7. Grounds Maintenance (non-golf course)

1. Clean Up – clubhouse, common, and parking areas shall be policed daily for trash and other debris.
2. Weed Management – turf, landscape beds, and tree rings shall be maintained virtually weed free using both chemical application and mechanical controls.
3. Insect/Disease Management - Integrated Pest Management Program shall be used to control insect infestations.
4. Fertilization - plant beds, shrubs, woody ornamentals, and ground covers shall be fertilized twice annually at recommended rates.
5. Flower Beds - clubhouse entrance and containers shall be planted with

- appropriate plant material.
6. Mowing - mowed a minimum of once a week.

8. Irrigation System/Drainage

1. Irrigation System – Yearly inspection of the entire system shall be conducted and necessary repairs made.
2. Sprinkler Heads – Routine inspections will be conducted and necessary repairs made.
3. System Failures – Daily inspections of the golf course will be made to locate any pipe ruptures and immediate repairs shall be made.
4. Pump Station – A professional irrigation pump technician shall conduct an annual preventative maintenance service to all pumps, control valve, and control panel. Maintenance staff shall conduct daily inspections of the pump station and maintain records on water usage and pump failures. Pump station shall be cleaned weekly.
5. Drainage – All drain grates shall be kept clean and free of debris.

9. Cart Paths/Bridges/Fences

1. Damage/Debris – Paths and bridges shall be maintained clean and free of debris. They shall be routinely inspected and damage repaired.
2. Edging/Limbing – All overhanging limbs shall be trimmed up above ten feet. All curbs shall be edged on a biweekly basis.
3. Paint/Decking – Bridge railings shall be painted on an annual basis and decking shall be kept in good repair.
4. Fences – Routine inspection shall be conducted and immediate repairs made.

I. Pro Forma Rea Park Golf Course and Hulman Links Golf Course

Hulman Links Golf Course Proposed Pro Forma

Year	2018	2019	2020	2021	2022
Annual Rounds	14000	14700	15435	16207	17017
Revenue					
Green Fees	170,000	195,500	215,050	236,555	260,211
Cart Fees	95,000	109,250	120,175	132,193	145,412

Annual Pass	127,500	142,500	157,500	172,500	187,500
Practice Range	13,000	14,950	16,445	18,090	19,898
Rental Clubs	1,000	1,150	1,265	1,392	1,531
Pro Shop Merchandise	50,000	54,000	58,320	62,986	68,024
Food & Beverage	112,000	120,960	130,637	141,088	152,375
Gross Revenue	568,500	638,310	699,392	764,802	834,951
Less Cost of Sales					
COGS Pro Shop	35,000	37,800	40,824	44,090	47,617
COGS Food and Beverage	44,800	48,384	52,255	56,435	60,950
Credit Card Fees	17,055	19,149	20,982	22,944	25,049
Subtotal COGS	79,800	86,184	93,079	100,525	108,567
Total Revenue	488,700	552,126	606,313	664,277	726,384
Operating Expenses					
Course Maintenance					
Payroll & Benefits	270,000	274,050	282,272	290,740	299,462
Water & Utilities	19,000	19,285	19,864	20,459	21,073
Services & Supplies	115,000	116,725	120,227	123,834	127,549
Maintenance Equipment Lease	35,000	35,000	35,000	35,000	35,000
Subtotal Course Maintenance	439,000	445,060	457,362	470,033	483,084
Clubhouse/Golf Operations					
Payroll & Benefits	120,000	123,600	127,308	131,127	135,061
Cart Lease	50,000	50,000	50,000	50,000	50,000
Advertising	15,000	15,000	15,000	15,000	15,000
Repair and Maintenance	5,400	5,481	5,645	5,815	5,989
Water & Utilities	4,500	4,568	4,705	4,846	4,991
Insurance	20,000	20,300	20,909	21,536	22,182
General Operating Expenses	25,500	26,265	27,053	27,865	28,700
Subtotal Golf Operations	240,400	245,214	250,620	256,189	261,924
Management Fees					
Management Fee	36,000	37,080	38,192	39,338	40,518
Subtotal Management Fees	36,000	37,080	38,192	39,338	40,518
Total Expenses	715,400	727,354	746,174	765,559	785,526
Net Operating Income	-226,700	-175,228	-139,861	-101,283	-59,143

Rea Park Golf Course
Proposed
Pro Forma

Year	2018	2019	2020	2021	2022
Annual Rounds	20000	21000	22050	23153	24310
Revenue					
Green Fees	123,244	141,731	155,904	171,494	188,643
Cart Fees	140,006	161,007	177,108	194,818	214,300
Annual Pass	127,500	142,500	157,500	172,500	187,500
Practice Range	40,000	46,000	50,600	55,660	61,226
Rental Clubs	500	575	633	696	765
Pro Shop Merchandise	40,000	43,200	46,656	50,388	54,420
Food & Beverage	30,000	32,400	34,992	37,791	40,815
Gross Revenue	501,250	567,413	623,392	683,348	747,669
Less Cost of Sales					
COGS Pro Shop	28,000	30,240	32,659	35,272	38,094
COGS Food and Beverage	12,000	12,960	13,997	15,117	16,326
Credit Card Fees	15,038	17,022	18,702	20,500	22,430
Subtotal COGS	40,000	43,200	46,656	50,388	54,420
Total Revenue	461,250	524,213	576,736	632,959	693,250
Operating Expenses					
Course Maintenance					
Payroll & Benefits	250,000	253,750	261,363	269,203	277,279
Water & Utilities	19,500	19,793	20,386	20,998	21,628
Services & Supplies	94,000	95,410	98,272	101,220	104,257
Maintenance Equipment Lease	35,000	35,000	35,000	35,000	35,000
Subtotal Course Maintenance	398,500	403,953	415,021	426,422	438,164
Clubhouse/Golf Operations					
Payroll & Benefits	90,000	92,700	95,481	98,345	101,296
Cart Lease	50,000	50,000	50,000	50,000	50,000
Advertising	15,000	15,000	15,000	15,000	15,000
Repair and Maintenance	5,000	5,075	5,227	5,384	5,546
Water & Utilities	8,500	8,628	8,886	9,153	9,428
Insurance	20,000	20,300	20,909	21,536	22,182
General Operating Expenses	13,400	13,802	14,216	14,643	15,082

Subtotal Golf Operations	201,900	205,505	209,720	214,061	218,533
Management Fees					
Management Fee	36,000	37,080	38,192	39,338	40,518
Subtotal Management Fees	36,000	37,080	38,192	39,338	40,518
Total Expenses	636,400	646,537	662,933	679,821	697,216
Net Operating Income	-175,150	-122,325	-86,197	-46,862	-3,966

J. Rate Schedules Rea Park Golf Course and Hulman Links Golf Course

Rea Park Golf Course

Proposed Rate Schedule 2018		
	Weekday	Weekend
Regular 18 Holes	\$36.00	\$39.00
Regular 9 Holes	\$22.00	\$25.00
Senior	\$30.00	\$35.00
Twilight	\$30.00	\$35.00
Super Twilight	\$25.00	\$30.00
Weekday Special	\$30.00	N/A
Weekend Special	N/A	\$34.00
Walking Fee	\$31.00	\$35.00
Annual Pass Cart Fee	\$14.00	\$14.00

1. Note all rates include a golf cart unless noted
2. Rates on Weekends and Holidays includes golf cart until 1:00 PM
3. All special rates include golf cart.
4. Patrons that walk will pay Greens Fee from the Rack Rate, no discounted rates for walking
5. **All rates plus sales tax**

Hulman Links Golf Course

Proposed Rate Schedule 2018		
	Weekday	Weekend
Regular 18 Holes	\$39.00	\$39.00
Regular 9 Holes	\$22.00	\$25.00
Senior	\$35.00	\$35.00
Twilight	\$30.00	\$35.00
Super Twilight	\$25.00	\$30.00
Weekday Special	\$30.00	N/A
Weekend Special	N/A	\$34.00
Walking Fee	\$31.00	\$35.00
Annual Pass Cart Fee	\$14.00	\$14.00

2. Note all rates include a golf cart unless noted
2. Rates on Weekends and Holidays includes golf cart until 1:00 PM
6. All special rates include golf cart.
7. Patrons that walk will pay Greens Fee from the Rack Rate, no discounted rates for walking
8. **All rates plus sales tax**

Rea Park Golf Course
Hulman Links Golf Course

2018-Proposed Annual Pass Rates		
		Annual
Season Annual Pass		\$850.00
Season Annual Pass Couple		\$1,250.00
College Pass		\$400.00
Junior Pass		\$300.00
Season Annual Pass Cart Fee 18 Holes		\$14.00

Exhibit A Service Cost Pricing Worksheet

6 Exhibits

Exhibit A – Service Cost Pricing Worksheet

The purpose of this Service Cost Pricing Worksheet is to gather pricing from contractors in a structured format. It is probable, but not certain, that the City will issue a Best and Final Offer (BAFO) for pricing. Any BAFO may incorporate business models and/or features different than those currently contemplated in this RFP.

All contractors are required to complete the Required Proposal Pricing Model, below. The City is focused on reducing and, ideally, eliminating the annually recurring operating losses at the golf courses. While the City is interested in revenue sharing strategies for the golf courses over the long term, its primary focus at this time is to make the golf courses self-sustaining and to eliminate existing subsidies.

The City will place a higher value on those models that provide greater levels of certainty with respect to financial outcomes and that place more responsibility on the contractors.

Required Proposal Pricing Model

Estimated Gross Revenues and Total Expenses

Using the table below, provide estimated gross revenues and total expenses for the two courses (combined) for the calendar years indicated. All revenue and all expenses from any aspect of the course operations should be included.¹

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Gross Revenues	\$1,069,750	\$1,205,723	\$1,322,784	\$1,448,150	\$1,582,620
Total Expenses	\$1,471,600	\$1,503,275	\$1,548,842	\$1,596,293	\$1,645,729

Proposed Monthly Fee (City Subsidy)

Using the table below, provide the proposed monthly fee (if any) that the contractor will require from the City. This amount may, but need not, correspond to any difference between estimated gross revenue and total expenses listed above. Low or no monthly fees are the preferred option.

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
Proposed Monthly Subsidy	\$33,487	\$24,796	\$18,838	\$12,345	\$5,259

¹ The City retains the right to allocate a portion of the benefits generated from the proposed transaction to cover transaction advisor costs. Respondents need not address this in the pricing.

Gross Revenue Share

Using the table below, provide the percentage of gross revenues (if any) that the contractor will share with the City. If gross revenue sharing starts only above a specific level, state that level.

	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022
% of Gross Revenues Shared with City	0.00	0.00	0.00	0.00	0.00

Contractor Proposed Alternatives

The City is interested in strategies that will further improve financial performance and increase customer satisfaction. Contractors are permitted to propose alternatives to achieve those goals for the City's consideration in the space below, using extra space as needed. Alternatives can include things such as operational changes, increased management flexibility, modified fee/rate schedules, CPI adjustments, or different contract pricing models. Alternatives should be fully explained and the financial impacts should be clearly described.

Cornerstone Golf Partners Financial Statement

CORNERSTONE GOLF PARTNERS, INC
BALANCE SHEET
December 31, 2015

DATE

PAGE 1

		<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
ASSETS				
CASH				
1020-000000	Regular OP Account	0	(827)	0
1021-000000	Deposit Acct - WNB	37,077	11,320	19,533
1040-000000	Payroll Account	0	71	9,296
(1000 TO 1099)	Total	<u>37,077</u>	<u>10,563</u>	<u>28,828</u>
RECEIVABLES				
1110-000000	A/R - Members/Owners	314,646	130,830	112,382
1180-000000	A/R - Amex	736	0	0
1231-000000	Consolidation	(198,673)	(95,227)	(48,811)
(1100 TO 1399)	Total	<u>116,710</u>	<u>35,603</u>	<u>63,571</u>
LAND/BUILDING/EQUIPMENT				
1630-000000	Maint Equip	79,700	79,700	79,700
(1600 TO 1699)	Total	<u>79,700</u>	<u>79,700</u>	<u>79,700</u>
INVENTORY				
1722-000000	Retail - Soft Goods	35,168	35,168	35,168
(1700 TO 1799)	Total	<u>35,168</u>	<u>35,168</u>	<u>35,168</u>
OTHER ASSETS				
1815-000000	Prepaid Insurance	16,322	14,085	0
(1800 TO 1999)	Total	<u>16,322</u>	<u>14,085</u>	<u>0</u>
TOTAL ASSETS		<u>284,977</u>	<u>175,119</u>	<u>207,267</u>

CORNERSTONE GOLF PARTNERS, INC
BALANCE SHEET
December 31, 2015

DATE

PAGE 2

		<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
	LIABILITIES & EQUITY			
	LIABILITIES			
	PAYABLES			
2050-000000	A/P - Vendors	32,885	29,215	30,128
2140-000000	SIT(SC) - Withheld	0	0	10,039
2170-000000	SUTA (SC) - Payable	117	117	117
2191-000000	Misc 1 Withheld - Hlth Ins	6,091	6,016	5,233
2193-000000	Misc 3 Withheld - Family Crt	989	860	200
2194-000000	Misc 4 Withheld	190	190	190
(2000 TO 2199)	Total	<u>40,272</u>	<u>36,397</u>	<u>45,907</u>
	ACCRUED LIABILITIES			
2325-000000	A/P - Henderson	0	0	12,428
2326-000000	Accrued Op Exps - WComp	(4,541)	0	(13,448)
(2300 TO 2389)	Total	<u>(4,541)</u>	<u>0</u>	<u>(1,020)</u>
	DEFERRED REVENUES			
	DEBT			
2410-000000	Contingency	25,000	25,000	75,000
2420-000000	NBSC LOC	80,000	0	0
(2400 TO 2699)	Total	<u>105,000</u>	<u>25,000</u>	<u>75,000</u>
	TOTAL LIABILITIES	<u>140,731</u>	<u>61,397</u>	<u>119,887</u>
	EQUITY			
	RETAINED EARNINGS			
2710-000000	Common Stock	150	150	150
2740-000000	Unrestricted R/E	630,091	485,661	378,599
2740-000001	Unrestricted R/E	(508,634)	(506,288)	(495,413)
2740-000005	Unrestricted R/E	(81,112)	(81,112)	(81,112)
2740-000008	Unrestricted R/E	14,315	14,315	14,315
2740-000211	Unrestricted R/E	1,910	0	34
2740-000400	Unrestricted R/E	(43,555)	(43,555)	(43,555)
2740-000401	Unrestricted R/E	42,484	35,350	34,580
2740-000501	Unrestricted R/E	(14,166)	0	0
2740-000601	Unrestricted R/E	(5,370)	(17,790)	(14,789)
2740-000701	Unrestricted R/E	(1,538)	(1,538)	(1,538)
2740-000801	Unrestricted R/E	2,062	2,062	2,062
2740-000901	Unrestricted R/E	(10,687)	8,820	7,875
2741-000000	Restricted R/E - King	34,120	93,120	55,024
2742-000000	Restricted R/E - Gerwing	0	0	202,193
2743-000000	Restricted R/E - Cale	(64,348)	(5,348)	(43,444)

CORNERSTONE GOLF PARTNERS, INC
BALANCE SHEET
December 31, 2015

DATE

PAGE 3

		<u>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
(continued):				
(2700 TO 2749)	Total	<u>(4,277)</u>	<u>(16,152)</u>	<u>14,982</u>
	YTD NET INCOME			
2750-000000	YTD Net Income	133,634	144,429	84,595
2750-000001	YTD Net Income	(6,300)	(2,346)	(10,875)
2750-000211	YTD Net Income	0	1,910	(34)
2750-000401	YTD Net Income	0	7,133	770
2750-000501	YTD Net Income	0	(14,166)	0
2750-000601	YTD Net Income	13,112	12,420	(3,001)
2750-000901	YTD Net Income	8,077	(19,507)	945
(2750 TO 2799)	Total	<u>148,522</u>	<u>129,874</u>	<u>72,400</u>
	TOTAL EQUITY	144,245	113,722	87,382
TOTAL LIABILITIES & EQUITY		284,976	175,119	207,269

CORNERSTONE GOLF PARTNERS, INC
BUDGET VS ACTUAL
December 31, 2015

DATE

PAGE 1

	Description	This Year	This Year Budget	Last Year	This Year	Year-to-Date Budget	Last Year	Annual Budget
REVENUES								
3892-000000	Other Income	0	0	0	5,000	0	0	0
3911-000000	Base Mgmt Fees - Dekalb	39,255	10,255	10,255	152,060	123,060	123,060	123,060
3912-000000	Base Mgmt Fees - Mary Calder	4,166	4,166	4,166	49,992	49,992	49,992	49,992
3914-000000	Base Mgmt Fees - Sapelo Hammock	4,000	4,000	4,000	48,000	48,000	48,000	48,000
3916-000000	Base Mgmt Fees - Collins Hill	6,753	6,496	6,556	81,037	78,677	78,677	78,677
3917-000000	Base Mgmt Fees - Sugar Creek	(27,079)	1,565	2,083	(4,166)	24,996	24,996	24,996
3918-000000	Base Mgmt Fees - Legacy	5,250	1,050	5,250	63,000	5,250	5,250	5,250
3940-000000	Sale of Carts	0	0	0	59,233	0	0	0
3943-000000	Incent Mgmt Fees- SHGC	890	1,056	1,057	14,151	11,909	11,909	11,909
3947-000000	Incent Mgmt Fees- CHGC	(12,326)	(20,873)	(20,873)	(12,326)	(20,873)	(20,873)	(20,873)
3948-000000	Incent Mgmt Fees- MVGC	(46,905)	19,623	19,623	(46,905)	19,623	19,623	19,623
3949-000000	Incent Mgmt Fees- SCGC	(44,215)	(45,166)	(45,166)	(44,215)	(45,166)	(45,166)	(45,166)
(3000 TO 3899)...	Total	(70,211)	(17,828)	(13,048)	364,862	295,468	295,467	295,468
REVENUES								
		(70,211)	(17,828)	(13,048)	364,862	295,468	295,467	295,468
COST OF SALES								
4330-000000	Food	(6)	86	121	0	121	121	121
(4000 TO 4999)	Total	(6)	86	121	0	121	121	121
NET REVENUES								
		(76,265)	(17,914)	(13,169)	364,862	295,347	295,346	295,347
SALARIES AND RELATED EXP								
5010-000000	Salaries	5,769	6,250	5,769	72,115	75,000	75,000	75,000
5020-000000	Payroll Taxes	441	478	441	5,848	6,123	6,123	6,123
5030-000000	Health Insurance	1,908	5,338	5,320	21,304	21,327	21,327	21,327
5031-000000	W/Comp Insurance	0	0	(1,781)	0	0	0	0
(5000 TO 5999)	Total	8,118	12,066	9,759	99,267	102,450	102,449	102,450
ADVERTISING								
6300-000000	Ad - Print	3,600	0	0	3,725	0	0	0
6301-000000	Ad - Materials	0	0	0	127	0	0	0
6306-000000	Website	(1,600)	0	0	9,197	0	0	0
(6300 TO 6399)	Total	2,000	0	0	13,049	0	0	0
LEASE EXPENSES								
REPAIRS AND MAINTENANCE								
6481-000000	R&M - Buildings	(126)	0	0	850	0	0	0
6492-000000	R&M - Maint Equip	(68)	0	0	0	0	0	0
6498-000000	R&M - Computer	0	0	(1,160)	244	0	0	0
(6460 TO 6499)	Total	(194)	0	(1,160)	1,094	0	0	0
GC MAINTENANCE COSTS								
7021-000000	GC Maint - Fuel & Oil	(88)	0	0	0	0	0	0
7022-000000	GC Maint - Small Tools	(214)	0	0	0	0	0	0
(7000 TO 7999)	Total	(302)	0	0	0	0	0	0
UTILITIES								
6400-000000	Cable TV	(81)	0	0	0	0	0	0
6420-000000	Telephone	1,964	(2)	0	1,964	42	42	42
6410-000000	Electric	0	0	0	76	0	0	0
(6400 TO 6449)...	Total	1,883	(2)	0	2,039	42	42	42
GENERAL OP EXPENSES								
6510-000000	Supplies - Office	0	9	6	1,456	834	834	834
6525-000000	Printing	0	0	0	0	6	6	6
6530-000000	Dues & Subscriptions	(75)	0	0	0	503	503	503
6550-000000	Legal	0	147	55	884	1,320	1,320	1,320
6560-000000	License & Permits	0	0	0	1,879	0	0	0
6561-000000	Mystery Valley	0	0	0	504	0	0	0
6562-000000	Sugar Creek	0	0	0	504	0	0	0
6564-000000	Sapelo Hammock	0	0	0	504	0	0	0
6565-000000	Collins Hill	0	0	0	504	0	0	0
6566-000000	Legacy	0	559	559	0	559	559	559
6570-000000	Travel	2,047	0	0	6,836	718	718	718
6581-000000	Accounting & Computer	7,500	6,947	7,500	90,724	74,808	74,808	74,808

CORNERSTONE GOLF PARTNERS, INC
BUDGET VS ACTUAL
December 31, 2015

DATE

PAGE 2

	Description	This Year	This Year Budget	Last Year	This Year	Year-to-Date Budget	Last Year	Annual Budget
(continued):								
6591-000000	Vehicle Allowance	\$908	\$589	\$550	\$8,781	\$7,526	\$7,526	\$7,526
6597-000000	Bank Service Chg	14	176	178	489	1,086	1,086	1,086
6598-000000	Cash (Over)/Short	(31,845)	(7,650)	(19,238)	(6,503)	8,111	8,111	8,111
6599-000000	Misc Op Expenses	(67)	(2,083)	(1,521)	3,375	(597)	(597)	(597)
6870-000000	Insurance	0	(20,409)	2,258	5,193	3,525	3,525	3,525
6910-000000	Interest	72	0	0	586	0	0	0
6520-000000	Postage	0	0	0	64	27	27	27
(6500 TO 6999)...	Total	(21,445)	(21,721)	(9,653)	115,778	98,426	98,425	98,426
	TOTAL OF EXPENSES	(9,949)	(9,657)	(1,063)	231,227	200,918	200,916	200,918
	OF INCOME BY MGMT FEES	(60,265)	(8,257)	(12,106)	133,635	94,429	94,430	94,429
	CGL MGMT FEE							
	NET OPERATING INCOME	(60,265)	(8,257)	(12,106)	133,635	94,429	94,430	94,429
	NON OF EXPENSES							
9002-000000	Contingency Adjustment	0	0	0	0	0	(50,000)	0
(9900 TO 9999)...	Total	0	0	0	0	0	(50,000)	0
	NET INCOME	(60,265)	(8,257)	(12,106)	133,635	94,429	44,430	94,429

Non-Collision Affidavit

NON-COLLUSION AFFIDAVIT

STATE OF Indiana
Vigo COUNTY

The undersigned authorized representative of Contractor, being duly sworn on oath, states that he/she is duly authorized to act on behalf of Contractor and has not, nor has any other employee, member, representative, or agent of the firm, company, corporation or partnership represented by him/her, entered into any combination, collusion or agreement with any person relative to the price to be offered by any person nor to prevent any person from making a proposal nor to induce anyone to refrain from submitting a proposal and that this offer is made without reference to any other offer.

Cornerstone Golf Partners
Contractor (Name of Firm)

Alan C. Cale
Signature of Representative/Agent

Alan C. Cale
Printed Name of Representative/Agent

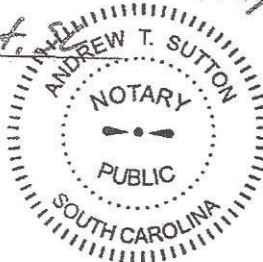
Vice President
Title

2017. Subscribed and sworn to before me this 30 day of May.

My Commission Expires: 11/4/19

Andrew T. Sutton
Notary Public

County of Residence Deaulest.



7

Recent Contract

THE LEGACY GOLF COURSE MANAGEMENT AGREEMENT

THIS AGREEMENT is made as of this 21st day of October 2014, between Cornerstone Golf Partners, Inc., herein after referred to as ("Company") and the City of Springfield, Tennessee ("Owner") having an address of 405 North Main Street, Springfield, Tennessee 37172.

WHEREAS, Owner owns an 18-hole golf course and clubhouse, located in Springfield, Tennessee, hereinafter referred to as The Legacy Golf Course (the "Course"); and

WHEREAS, Company is in the business of managing golf courses and related facilities; and

WHEREAS, pursuant to the terms and conditions contained in this Management Agreement, Owner desires to engage Company to manage The Legacy Golf Course;

NOW, THEREFORE, in consideration of the covenants and agreements of the parties contained herein, it is mutually agreed as follows:

1. **TERM OF AGREEMENT:** The initial term of this Agreement shall commence effective December 1, 2014 and shall expire three (3) years thereafter, on November 30, 2017. The Agreement may be renewed for an additional three (3) to five (5) year term based upon the written mutual consent of Owner and Company.

2. **COMPANY SERVICES:** Services rendered by Company to Owner shall be as follows: Owner agrees that Company shall, during the term of the Agreement and subject to the terms of this Agreement, have the sole and exclusive right to manage The Legacy Golf Course as an agent pursuant to the terms of this Agreement. Owner and Company agree that they will cooperate reasonably with each other to permit Company to carry out its duties under this Agreement. Throughout the term of this Agreement, Owner will have the sole and exclusive right to manage and direct Company and Company shall have the responsibility of providing and the authority to provide general operational management services for The Legacy Golf Course, subject to Owner's continuing performance of its obligations hereunder, including the ongoing requirement of Owner to provide operating capital for the operation of The Legacy Golf Course pursuant to the Annual Budget and Program as set forth in Paragraph 3, including without limitation, the following services:

A. Company shall, pursuant to the Annual Budget and Program and after consulting with the Owner, recruit, hire and supervise all on-site staff personnel (including salaried and hourly personnel) necessary to provide services at The Legacy Golf Course as may be contemplated by the Annual Budget and Program, all of whom shall be employees of Company. Provided, however, all expenses in connection with the employment of all on-site personnel shall be the responsibility of Owner, pursuant to Owner's obligation to provide funds for the Operating Account, as set forth in Paragraph 3 hereof.

B. Company shall, at the expense of Owner, obtain (in accordance with the Annual Budget

and Program) merchandise for the pro shop at The Legacy Golf Course, and shall make available for the benefit of The Legacy Golf Course any national purchase discounts which may be negotiated.

C. Company shall supervise and operate on behalf of Owner the golf course, pro shop, food and beverage services, and other ancillary services at The Legacy Golf Course.

D. Company shall develop a list of required equipment and a purchase/lease schedule and maintain in good working condition and order the physical plant and equipment at The Legacy Golf Course, including the golf course and all physical structures which are part of The Legacy Golf Course, and all vehicles and other maintenance equipment necessary to the maintenance and operation of The Legacy Golf Course in the normal course of business.

E. Company shall, to the extent it deems reasonably necessary or desirable in connection with the performance of its obligations hereunder, be entitled to bring its staff to The Legacy Golf Course for such oversight, training and consultation from time to time at no additional charge to The Legacy Golf Course other than reimbursement of reasonable out-of-pocket, travel-related expenses, not to exceed Ten Thousand Dollars (\$10,000.00) annually.

F. Company shall recommend a schedule of prices and fees for golf course products and services for Owner's approval and design and implement such special events and marketing programs and strategies, such as junior golf programs, priority tee times, league play, events, tournaments, exhibitions and clinics, as it may deem appropriate to promote The Legacy Golf Course as may be contemplated in the Annual Budget and Program. Company shall also develop and implement the program for solicitation of group outings at The Legacy Golf Course.

G. Company shall provide the following budgeting, bookkeeping and reporting services to Owner (it being understood that copies of all books and records shall be kept at The Legacy Golf Course):

1. Company shall prepare and deliver to Owner in accordance with its own procedures and formats regular monthly and annual operating statements which shall include, without limitation, recommendations regarding each monthly and annual report and such other items Owner may reasonably request. Monthly operating statements shall be furnished to Owner by the 15th day following the last day of each month; and annual operating statements shall be furnished by the 45th day following the last day of each calendar year.
2. Company shall prepare and deliver to Owner no later than April 2 of each year for the duration of this Agreement for the following year, (a) an annual operating budget, including a projection of anticipated monthly revenues and expenses and cash flows for The Legacy Golf Course for the following fiscal year, including, without limitation, a reasonable contingency and anticipated Operating Account requirements over the course of the year, (b) a capital improvements budget for the next fiscal year, and (c) a general marketing and operational program with respect to The Legacy Golf Course, including, without limitation, operating policies,

standards for operations and quality of service standards (collectively, the "Annual Budget and Program"). Company and Owner shall use their mutual best efforts to agree upon the Annual Budget and Program for the following year on or before fiscal year end. Owner shall have the final approval of the Annual Budget and Program. Each party may from time to time propose to the other party during the course of the year such changes or amendments to the Annual Budget and Program as such party may consider necessary or appropriate, and Company and Owner shall use their mutual best efforts to agree upon such changes or amendments within thirty (30) days after such proposal is made. Company shall obtain prior approval from Owner for contracts in excess of Ten Thousand Dollars (\$10,000) or twelve (12) months in duration. Company shall secure the approval of Owner for expenditures in excess of One Hundred Ten Percent (110%) of any line item in the Annual Budget, except for expenditures necessary in the event of emergencies of which prompt notice will be given to Owner.

3. Company, on behalf of Owner, shall establish, administer and maintain the payroll procedures and systems for the Company employees at The Legacy Golf Course under the supervision of Company and shall be responsible for overseeing certain benefits to, and handling the appropriate payroll deductions for, individual employees. Benefits will be limited to vacations, sick leave and medical insurance coverage, as approved by Owner pursuant to the Annual Budget and Program. Employees shall be employees of Company and all costs related to their employment shall be borne by Owner, pursuant to Owner's obligation to provide funds for the Operating Account as set forth in Paragraph 3, and Company shall comply with Federal and State employment laws.

H. Company shall, at the end of each calendar month remit directly to Owner all amounts then in the Operating Account (as hereinafter defined) in excess of the Minimum Funds Balance (as hereinafter described) as may be requested by Owner from time to time by written notice to Company. Company shall pay all operating expenses for The Legacy Golf Course on behalf of Owner from the Operating Account which expenses shall include, but not be limited to, payments of all monthly payroll and related expenses for Company on-site employees, management fees, and operating expenses. Company will not pay debt service, bond interest payments, real estate, or personal property taxes.

3. **OPERATING ACCOUNT:** Owner shall provide all funding of the Operating Account requirements of The Legacy Golf Course for all operating years during the term hereof as set forth in the Annual Budget and Program then in effect. Company shall maintain a business checking account for receipt and disbursement of funds used in connection with the operation of The Legacy Golf Course (the "Operating Account"). Owner agrees to fund the Operating Account for the operation of The Legacy Golf Course in a business-like manner, as prescribed within the Annual Budget and Program, for the remaining term of this Agreement, and Owner shall provide sufficient funds (which funds shall be defined as the "Minimum Funds Balance" and shall be an amount not less than Fifty Thousand Dollars (\$50,000) for the Operating Account to allow Company to operate The Legacy Golf Course in a generally accepted business-like manner consistent with both parties objective of operating a high-quality golf facility available to the golfing public; provided

further that upon cancellation or termination of this Agreement for any reason or upon the occurrence of a material default by Company, the delegation of control over such Operating Account to Company shall be immediately revoked and all funds in the Operating Account shall be immediately paid over to Owner by Company.

4. **INSURANCE:** Owner shall secure and at all times maintain property damage and other insurance for The Legacy Golf Course. Owner shall be liable for payment of the premiums of said insurance for so long as Owner shall own The Legacy Golf Course during the term of this agreement. Company shall be responsible for securing and maintaining liability insurance with a minimum limit of One Million Dollars (\$1,000,000.00). Company shall name the Owner as an Additional Insured. Company shall secure and maintain a Fidelity Bond or crime policy, in a form acceptable to the Owner, with a minimum of One Hundred Thousand Dollars (\$100,000.00). Coverage shall include theft, destruction and disappearance at a minimum. Company shall secure and maintain workers compensation on all its employees affiliated with The Legacy Golf Course. The premiums for any such policies shall be paid from the Operating Account to be provided by Owner pursuant to Paragraph 3 hereof and in accordance with the Annual Budget, or by Owner in the event there is insufficient Operating Account funds available.

5. **COMPENSATION AND FEES:**

A. For its services hereunder, Company shall be entitled to a monthly fee (the "Base Fee") equal to Five Thousand Two Hundred and Fifty Dollars (\$5,250.00) with respect to each month during the term of this Agreement. Provided, however, in the event that The Legacy Golf Course achieves any of the following threshold results in any fiscal year after the fiscal year ending June 30, 2015 the Base Fee shall increase by three (3%) percent over the Base Fee in the immediately preceding year:

- i. Fiscal Year Gross Income of more than One Million Dollars (\$1,000,000); or
- ii. Fiscal Year Rounds in excess of thirty thousand (30,000); or
- iii. Fiscal Year Net Operating Income exceeding Twenty Five Thousand Dollars (\$25,000).

The three percent (3%) increase would be effective on January 1 of the next following calendar year.

B. In addition to the Base Fee, Company shall be entitled to an incentive fee (the "Incentive Fee") based on the Gross Revenue (as defined in Paragraph 5(D)). Company shall be paid five percent (5%) of all Gross Revenues over Eight Hundred Thousand Dollars (\$800,000) in a fiscal year. The Incentive Fee shall be limited to an amount equal to twenty percent (20%) of the total Base Fee in the immediately preceding year. The Incentive Fee is to be paid within thirty (30) days of financial statements being agreed upon by both Owner and Company.

C. Upon reasonable notice (which may be verbal), representatives of Owner shall have the right to any time during normal business hours to review all of Company's books and records, including the general ledger, accounts payable, income statement, balance sheet, and budget

variance reports relating to The Legacy Golf Course including, without limitation, Company's work papers related to Company's preparation of operating statements and calculating any Incentive Fees. All owner-related expenses related to any such review shall be exclusively borne by Owner for purposes of this Agreement unless such review reveals an overpayment of any fees or other amounts in which case Company shall pay for the review. Owner's exercise of its right of review or to dispute any fee or expense reimbursement claimed by Company shall not delay payment of the undisputed portion thereof by Owner within the time frames set forth herein. However, payment by Owner of a fee or other amount hereunder shall not constitute a waiver of Owner's right to subsequently dispute the amount thereof. If Owner and Company determine that any portion of its fees was improperly paid to Company, Company shall refund such improperly paid fee together with interest thereon from the time when such fee was paid to Company within five (5) business days after receipt of notice from Owner to Company. If there is any dispute between the parties regarding payments of its fees, such disputes may be resolved by arbitration.

D. The term "Gross Revenues from The Legacy Golf Course" as used herein shall include the total aggregate amount of revenue for the business done, sales made, and services performed in, on, or from The Legacy Golf Course both for cash and on credit (net of credit card discounts), including, without limitation, all charges for greens fees, annual passes, cart rentals, and other rentals, the gross amount charged for merchandise, food and beverage, and the gross amount received from all other sources and income derived from activities in, on, or from The Legacy Golf Course less any and all actual refunds or credits for returned merchandise, exchanges, and allowances, including allowances for bad debts (provided the purchase price of the merchandise was previously included in The Legacy Golf Course's gross sales), and less all sums collected by The Legacy Golf Course from The Legacy Golf Course's customers and paid by The Legacy Golf Course for all sales, use, value-included, and excise taxes on sales and rentals where such taxes are both added to or included in the selling price or charge, and paid by The Legacy Golf Course directly to the taxing authorities. The term Gross Income ("Gross Income") shall mean Gross Revenue reduced by cost of goods for golf shop and food and beverage retail sales.

E. As used herein, Gross Revenues from The Legacy Golf Course shall be exclusive of all insurance and condemnation proceeds, and proceeds and sales of equipment and property, other than inventory in the ordinary course of business.

F. Any interest due to either Company or Owner pursuant to this Agreement shall accrue at a rate equal to the prime rate publicly announced by Citibank, N.A. on the date such interest began to accrue which shall be thirty (30) days after the date due. Except as otherwise specifically provided herein, interest on any payment due by either party to the other hereunder shall be payable from and after the date upon which such payment was due if such payment is not timely made.

G. Annual Net Operating Income. The term "Annual Net Operating Income" as used herein shall be defined as Gross Revenues from the Course as defined in Paragraph 5A, minus all operating expenses which are attributable, in accordance with generally accepted accounting principles, to the use and operation of the Club including, without limitation, employee costs, the Base Fee, expense reimbursements (including, without limitation, reasonable out-of-pocket

travel related expenses), all insurance costs related to the operation of the Course and personal and real property taxes; provided, however, such expenses shall not include any charges for amortization and depreciation, debt service, capital expenditures, State and Federal income taxes, Owner salary, or Owner distributions or overhead allocations, or any Annual Operating Incentive Fees paid to Company hereunder.

6. CAPITAL EXPENDITURES:

A. Capital improvements shall be deemed to include any item purchased in connection with the operation of The Legacy Golf Course which:

1. has an economic useful life in excess of one (1) year; and
2. costs in excess of Five Thousand Dollars (\$5,000).

Except as provided in Paragraph 3, all costs for capital improvements shall be the responsibility of Owner and all decisions as to whether or not to undertake any capital improvement projects or otherwise in respect of any capital improvements shall be made by Owner in consultation with Company.

B. Company shall (except in the case of supervision of repair and replacements made in the normal course which shall be a part of Company's regular duties under this Agreement) upon the request of Owner perform any of the following services on behalf of Owner provided, however, that prior to performing such services the parties shall have agreed to the amount of additional compensation to be paid to Company for said services as well as the scope of the additional services:

1. golf course design or construction services, including supervisory duties overseeing the performance of others performing such design or construction services; and
2. construction supervision over any capital development or capital improvement to The Legacy Golf Course, its related facilities or the land upon which they are erected.

Notwithstanding the foregoing, Company shall, as a part of its regular duties, but without the obligation to supervise the capital improvement project in question, review with Owner, solely in its capacity as manager of The Legacy Golf Course, the design and construction of such capital improvement projects and alert Owner to any problems or defects of which it becomes aware.

7. DEFAULT AND REMEDIES:

A. The following shall constitute an event of default ("Event of Default") by Owner under this Agreement:

1. Failure to timely pay Company any fees, compensation, or reimbursement due Company pursuant to this Agreement, unless said amounts are under legitimate dispute;

2. Failure to timely provide funds for the Operating Account in accordance with Paragraph 3 hereof;
3. Breach by Owner of any other provision of this Agreement such as, but not limited to, failing to consult with Company regarding budgets or capital improvements; or
4. Owner makes an assignment for the benefit of its creditors, or becomes a party for more than thirty (30) days to any voluntary or involuntary insolvency proceedings or bankruptcy proceedings or reorganization.

B. The following shall constitute an event of default ("Event of Default") by Company under this Agreement, provided that Owner has fulfilled its obligations hereunder:

1. Committing waste upon The Legacy Golf Course or failure to maintain in good working order any material improvement or component of The Legacy Golf Course;
2. Failure to maintain the amenities of The Legacy Golf Course in reasonably good condition, subject to abnormal weather conditions, acts of God, or other events or conditions beyond the reasonable control of Company;
3. Breach by Company of any other provisions of this Agreement or failure to provide customary management services to operate The Legacy Golf Course or utilize its best efforts to maintain and maximize profitability; or
4. Company makes an assignment for the benefit of its creditors, or becomes a party for more than thirty (30) days to any voluntary or involuntary insolvency proceedings or bankruptcy proceedings or reorganization.

C. When either party to this Agreement believes that the other party (the "Defaulting Party") has committed an Event of Default, it shall give written notice thereof to the Defaulting Party, and the Defaulting Party shall have ten (10) days in the event of a payment default, or such longer period (not to exceed a period of thirty (30) days unless Company has begun to cure within the thirty (30) day period and is diligently pursuing such cure) as shall be reasonably necessary due to weather, growing conditions, or other factors beyond the reasonable control of the Defaulting Party, within which to cure the default.

D. If the Defaulting Party does not cure the default within the grace period provided in Paragraph 7(C) above, the other party may terminate this Agreement on sixty (60) days' written notice to the defaulting party and pursue all rights and remedies available in law or equity, including payment of accrued amounts pursuant to Paragraph 5 hereof, subject to legitimate offsets. Notwithstanding any contrary provisions hereof, Company's rights to recover damages from Owner shall be limited to collection of accrued and unpaid Management Fees and the payment of the Cancellation Fee (or the Termination Fee if applicable) provided in Paragraph 8

below as liquidated damages (it being agreed by the parties that Company's damages would be extremely difficult to measure and that the Cancellation Fee (or Termination Fee if applicable) has been agreed upon, after negotiations, as a reasonable estimate of such damages. The parties also agree that notwithstanding any contrary provision hereof, the Owner's damages shall be limited as provided in Paragraph 12(C)(3).

8. TERMINATION AND CANCELLATION:

A. This Agreement shall automatically terminate upon expiration of the term of the Agreement and any automatic renewals.

B. Either party may terminate this Agreement upon the occurrence of an Event of Default by the other party after giving notice as provided in Paragraph 7 above.

C. In the event Company terminates this Agreement due to the Default of Owner, Company shall receive within ten (10) days of termination from Owner a cancellation fee ("the Cancellation Fee") equal to the total compensation and fees (pursuant to Paragraph 5 hereof) earned by Company for the immediately preceding calendar year multiplied times the number of full and fractional years remaining in the terms of this Management Agreement.

D. Owner may terminate this Agreement on thirty (30) days' written notice to Company, without the payment of a Cancellation or Termination Fee, in the event that The Legacy Golf Course fails to exceed an Annual Net Operating Income of eighty percent (80%) of the amount set forth in the Annual Budget and Program for six (6) consecutive calendar quarters during the term hereof.

E. Owner shall have the right to terminate this Agreement at any time on thirty (30) days written notice, and this Agreement shall automatically terminate upon the closing of a sale, lease, or transfer of The Legacy Golf Course to a new entity. In the event of such unilateral termination or termination due to the transfer of The Legacy Golf Course (other than to Company or its affiliate, in which event no Termination Fee shall be payable), the Owner shall pay to Company within ten (10) days of such termination a termination fee ("Termination Fee") equal to the total compensation and fees (pursuant to Paragraph 5 hereof) earned by Company for the immediately preceding calendar year multiplied times the number of full and fractional years remaining in the terms of this Management Agreement.

F. Owner shall have the right to terminate this Agreement at its sole discretion after one (1) year and five (5) months from the date of the signing of this Agreement upon one hundred eighty (180) day written notice to Company. Upon termination, Owner will owe Company no penalty except for monies owed to Company for the management, operations and maintenance of said facility.

G. Upon termination or cancellation of this Agreement, for any reason or under any circumstances, Company's (i) proprietary computer programs relating to accounting, operations, marketing, and forecasting, (ii) operations manuals of Company and (iii) the information and processes related to and used by Company in the marketing plan shall remain the sole property of

Company and shall be removed by Company upon termination of this Agreement. Additionally, any actual or implied association of The Legacy Golf Course with Company shall cease upon termination.

9. **USE OF THE LEGACY GOLF COURSE:** During the term of this Agreement, The Legacy Golf Course shall be open to the public and operated on a daily-fee basis.

10. **LIQUOR LICENSE AND BEER PERMIT:** Subject to any relevant Tennessee Alcoholic Beverage Control (ABC) licensing requirements and local laws, Owner shall use its best efforts to maintain at all times a valid beer permit on the premises, and Company shall comply with all relevant ABC laws and local laws regarding the use of such beer permit.

11. **FORCE MAJEURE; FIRE AND OTHER CASUALTY:** If all or any portion of The Legacy Golf Course is destroyed by fire or other casualty, such damage or destruction shall not be a cause for termination hereunder by either party unless such damage or destruction results in the whole or a substantial part of The Legacy Golf Course being unusable for its intended purpose for a period of one year or longer or, in the case of such total or substantial damage or destruction, the Owner shall decide not to rebuild the damaged portion of The Legacy Golf Course, then in either such event, this Agreement shall terminate on notice from Owner to Company of such termination and neither party shall have any further rights or obligations hereunder. Notwithstanding the foregoing, if:

A. as a result of any damage or destruction to any part of The Legacy Golf Course; or

B. otherwise due to causes (other than strikes within Company's control) beyond Company's reasonable control (and so long as Company uses all reasonable diligence to cure such inability), Company shall be unable to perform its obligations hereunder in respect of the operation of The Legacy Golf Course, Owner and Company shall use their mutual best efforts to agree upon an amendment to the Annual Budget and Program, including, without limitation, the Operating Account provisions thereof, to allow payment of necessary expenses (including, without limitation, The Legacy Golf Course employee expenses) until such damage or destruction is repaired or such inability is cured and, if the parties are unable to agree on such an amendment within twenty (20) business days after Company shall have given Owner notice of the occurrence of such event, Company shall have the right to terminate this Agreement by notice to Owner of such termination and neither party shall have any further rights or obligations hereunder. In the event of a force majeure, there is no Cancellation or Termination Fee due to Company.

12. **INDEMNIFICATION AND LIABILITY:**

A. **Legal Actions.** Legal counsel for Company and Owner shall cooperate in the defense or prosecution of any action affecting The Legacy Golf Course. Company shall not institute or defend any legal action or retain counsel affecting The Legacy Golf Course without Owner's consent. Company shall immediately forward all legal notices to Owner or notices of a financial nature which relate to The Legacy Golf Course, at the address listed under Paragraph 13. Company shall advise and assist Owner in instituting or defending, as the case may be, in the name of The Legacy Golf Course, Owner, and/or Company, but in any event as a golf course expense, all

actions arising out of the operation of The Legacy Golf Course and not attributable to the negligence or willful acts of Company, and any and all legal actions or proceedings to collect charges, third party payments, rents, or other incomes for Company, Owner, or The Legacy Golf Course, or to lawfully evict or dispossess tenants or other persons in possession thereunder, or to lawfully cancel, modify, or terminate any lease, license, or concession agreement as contained in the Annual Budget and Program in Paragraph 2, herein in the event of breach of default thereof, or to defend any action brought against Owner, unless otherwise directed by the Owner. Company shall assist Owner to take the acts necessary to protect or litigate to a final decision in any appropriate court or forum, as a Legacy Golf Course expense, and any violation, order, rule, or regulation affecting The Legacy Golf Course.

B. Choice of Law and Venue. Whereas Company's principal place of business is in the State of Georgia, and the Facility is located in the State of Tennessee, the parties agree that this Agreement shall be governed by and construed in accordance with the laws of Tennessee, which shall be the exclusive courts of jurisdiction and venue for any litigation, special proceeding or other proceeding between the parties that may be brought, or arise out of, or in connection with, or by reason of this Agreement.

C. Liability of Company and Owner.

1. Other persons. Company shall not be responsible for the acts or omissions of any of Owner's other contractors or any subcontractor, or any employees of Owner other than those under supervision of Company, or any persons representing Owner performing any services for or in connection with The Legacy Golf Course, or any consultants or other persons engaged by Owner with respect thereto, unless and only to the extent Company is supervising, or should be supervising the same, and Company shall be responsible only for the performance of Company's obligations hereunder in accordance with the terms hereof.
2. Non-recourse. In the event that Company makes any claim against The Legacy Golf Course and Owner, Company's recourse shall be limited to the provisions of this Agreement. Company shall have no recourse to members, managers, or employees of the Owner, except for acts or omissions which are outside the scope of their rights or responsibilities as members, managers, or employees.
3. Notwithstanding any other provisions of this Agreement, the maximum liability of Company to Owner for any breach of this Agreement or for any claims arising hereunder shall be limited to the amount of the Management Fees under Paragraph 5 paid as of the date of such breach or claim plus proceeds available from Company's insurance. Company will maintain in force insurance in a minimum amount of One Million Dollars (\$1,000,000). Owner's liability will not exceed the amount of money owed to Company for unpaid management fees for the remaining term of this Agreement and Cancellation or Termination Fees, if any. Owner will maintain in force insurance in a minimum amount of One Million Dollars (\$1,000,000) as set forth in Paragraph 4, herein.

D. Indemnity. Company will defend, indemnify and hold Owner harmless from and against any and all claims, losses, expenses, costs, suits, actions, proceedings, demands or liabilities that are asserted against, or sustained or incurred by Owner because of Company's breach of this Agreement or because of legal actions or regulatory violations arising from Company's negligence, fraud, or willful misconduct. Further, Company will defend, at its own expense, any actions brought directly against Company as a result of its negligence in managing and/or operating The Legacy Golf Course. Recovery upon an indemnity contained in this Agreement shall be reduced dollar-for-dollar by any applicable insurance collected by either Owner or Company. The scope of the foregoing indemnity includes any and all costs and expenses properly incurred in connection with any proceedings to defend, any indemnified claim, or to enforce the indemnity, or both, provided, however, that Company's liability under all indemnities shall be limited as set forth in Paragraph 12(C)(3). The obligations under this Paragraph 12(D) shall survive the termination of this Agreement.

13. GENERAL PROVISIONS:

A. This Agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof; and supersedes all other negotiations, understandings, and representations (if any) made by and between such parties.

B. The provisions of this Agreement may only be amended or supplemented in a writing signed by both parties.

C. The parties hereby agree from time to time to execute and deliver such further and other instruments and documents, and do all such other acts and things which may be convenient or necessary to more effectively and completely carry out the intentions of the Agreement.

D. Company shall at all times operate, use, and conduct the business of The Legacy Golf Course in a lawful manner and in full compliance with all applicable governmental laws, ordinances, rules and regulations, and maintain all licenses and permits relating to The Legacy Golf Course, with Owner's full cooperation, in full force and effect and cooperate and endeavor to obtain all licenses and permits first required after the commencement of the term of this Agreement required in connection with the management, use, and operation of The Legacy Golf Course.

E. All of the terms and provisions of this Agreement shall be binding and inure to the benefit of the parties and their respective permitted successors and assigns. This Agreement is solely for the benefit of the parties hereto and not for the benefit of any third party. Furthermore, the purchaser and/or assignee of Owner shall be bound by the provisions hereof, in which event (excluding the lease of The Legacy Golf Course) Owner shall be released from all liability hereunder except for obligations accruing prior to said sale, lease, or transfer and payment of accrued fees and Paragraph 7 hereof.

F. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been given:

1. when delivered, if hand delivered; or
2. one (1) business day after deposit with a reputable overnight courier marked for "next business day" delivery; or
3. upon receipt, if sent by facsimile, provided that an original thereof is thereafter sent in the manner provided above, and shall be addressed as follows:

In the case of Company:

Cornerstone Golf Partners, Inc.
P.O. Box 69898
Hilton Head Island, SC 29938
Attention: Alan C. Cale
Telephone: 912-308-4019
Facsimile: 843-363-5799

In the case of Owner:

The City of Springfield, Tennessee
405 North Main Street
P.O. Box 788
Springfield, Tennessee 37172
Attention: Paul Nutting, City Manager
Telephone: (615) 382-2200
Facsimile: (615) 382-1612

or to such other address as either party may designate by notice complying with the terms of this subparagraph.

G. The headings contained in this Agreement are for convenience of reference only, and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

H. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid or unenforceable under, applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited, invalid or unenforceable, but the remainder of such provision and this Agreement shall not be invalidated or rendered unenforceable thereby, and shall be given full force and effect so far as possible.

I. The failure or delay of either party at any time to require performance by the other party of any provision of this Agreement shall not affect the right of such party to subsequently require performance of that provision or to exercise any right, power or remedy hereunder. Waiver by either party of a breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on either party in any

event shall, of itself, entitle such party to any other or further notice or demand in similar or other circumstances, except as otherwise herein provided.

J. This Agreement and all transactions contemplated hereunder shall be governed by, construed, and enforced in accordance with, the laws of the State of Tennessee, without regard to its conflicts of law provisions.

K. Nothing in this Agreement shall be construed to create a partnership or joint venture between the parties. The parties acknowledge that the relationship of Company to Owner is that of an agent.


L. No remedy herein conferred upon either party is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

M. Each party hereby represents to the other party that it has the right, power, authority, and financial ability to enter into this Agreement and to perform its obligations under this Agreement, and that it is not restricted by contract or otherwise from entering into and performing this Agreement.

IN WITNESS WHEREOF, the parties executed this Agreement as of the date first above written.

THE CITY OF SPRINGFIELD, TENNESSEE

By:

 October 21, 2014
Billy P. Carneal, Mayor Date

CORNERSTON GOLF PARTNERS, INC.

By:

 10-22-14
Alan C. Cale, Chief Executive Officer Date